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GEM AROMATICS LIMITED
Corporate Identification Number: U24246MH1997PLC111057

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
A/410, Kailas Complex, Vikhroli Powai Link Road, Park Site, Vikhroli (W), Mumbai – 400 079, Maharashtra, India	A/503, Kailas Complex, Vikhroli Powai Link Road, Park Site, Vikhroli (W), Mumbai – 400 079, Maharashtra, India	Pooja Padam Bhandari <i>Company Secretary and Compliance Officer</i>	Email: secretarial@gemaromatics.in Telephone: +91 22 2518 5231	www.gemaromatics.com

VIPUL PAREKH, KAKSHA VIPUL PAREKH, YASH VIPUL PAREKH, AND PAREKH FAMILY TRUST ARE THE PROMOTERS OF OUR COMPANY

DETAILS OF THE OFFER

TYPE	FRESH ISSUE SIZE#	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIBs
Fresh Issue and Offer for Sale	Up to [●] Equity Shares of face value of ₹ 2 (“ Equity Shares ”) each aggregating up to ₹ 1,750.00 million	Up to 8,924,274 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million	Up to [●] Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, (“ SEBI ICDR Regulations ”). For further details, see “ Other Regulatory and Statutory Disclosures – Eligibility for the Offer ” on page 371. For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Bidders, Retail Individual Bidders (<i>as defined below</i>), see “ Offer Structure ” beginning on page 393.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME OF THE SELLING SHAREHOLDER	TYPE	NO. OF EQUITY SHARES BEING OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARES* (IN ₹)
Vipul Parekh	Promoter Selling Shareholder	Up to 3,396,187 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million	0.61
Kaksha Vipul Parekh	Promoter Selling Shareholder	Up to 1,626,183 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million	0.95
Yash Vipul Parekh	Promoter Selling Shareholder	Up to 1,670,835 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million	0.81
dōTERRA Enterprises, Sàrl	Investor Selling Shareholder	Up to 2,231,069 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million	38.90

* As certified by M/s Chhajed & Doshi, Chartered Accountants, by way of their certificate dated December 28, 2024.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 2. The Floor Price, Cap Price and Offer Price, determined by our Company, in consultation with the Book Running Lead Manager (“**BRLM**”) and subject to applicable law, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process and in accordance with the SEBI ICDR Regulations, as stated under “**Basis for the Offer Price**” beginning on page 119, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares 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**” beginning on page 29.

ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY


Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information

contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Draft Red Herring Prospectus to the extent such statements specifically pertain to such Selling Shareholder and/or their 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. No Selling Shareholder assumes any responsibility for any other statements, disclosures and undertakings, including without limitation, any and all of the statements disclosures and undertakings made or confirmed by or relating to our Company or its business, or by any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.


LISTING

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”). For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER

NAME AND LOGO OF THE BOOK RUNNING LEAD MANAGER	CONTACT PERSON	E-MAIL AND TELEPHONE
	Motilal Oswal Investment Advisors Limited	Sukant Goel / Ronak Shah E-mail: gem.ipo@motilaloswal.com Telephone: +91 22 7193 4380

REGISTRAR TO THE OFFER

LOGO	NAME OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
	Kfin Technologies Limited	M. Murali Krishna	E-mail: gal.ipo@kfintech.com Telephone: +91 40 6716 2222

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE	[●]	BID/OFFER OPENS ON*	[●]	BID/OFFER CLOSES ON**^	[●]

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

**Our Company in consultation with the BRLM and subject to applicable law, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date, in accordance with the SEBI ICDR Regulations.

^UPI mandate end time and date shall be 5:00 p.m. on the Bid/ Offer Closing Date.

Our Company, in consultation with the BRLM, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s) (“Pre-IPO Placement”), for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.



Our Company was originally incorporated as 'Gem Aromatics Private Limited' as a private limited company under the Companies Act, 1956, pursuant to certificate of incorporation dated October 3, 1997, issued by the Registrar of Companies, Mumbai at Maharashtra ("RoC"). Upon the conversion of our Company into a public limited company pursuant to a Board resolution dated July 13, 2023 and a Shareholders' resolution dated July 14, 2023, the name of our Company was changed to, 'Gem Aromatics Limited', and a fresh certificate of incorporation dated August 17, 2023, was issued by the RoC. For details of changes in name and registered office of our Company, see "History and Certain Corporate Matters – Brief history of our Company" and "History and Certain Corporate Matters – Changes in the registered office of our Company" on page 237 each.

Corporate Identification Number: U24246MH1997PLC111057

Registered Office: A/410, Kailas Complex, Vikhroli Powai Link Road, Park Site, Vikhroli (W), Mumbai – 400 079, Maharashtra, India;

Corporate Office: A/503, Kailas Complex, Vikhroli Powai Link Road, Park Site, Vikhroli (West), Mumbai – 400 079, Maharashtra, India

Contact Person: Pooja Padam Bhandari, Company Secretary and Compliance Officer; **Tel:** +91 22 2518 5231; **E-mail:** secretarial@gemaromatics.in;

Website: www.gemaromatics.com

THE PROMOTERS OF OUR COMPANY ARE VIPUL PAREKH, KAKSHA VIPUL PAREKH, YASH VIPUL PAREKH AND PAREKH FAMILY TRUST

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF GEM AROMATICS LIMITED ("COMPANY") FOR CASH AT A PRICE OF [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO [●] MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,750.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 8,924,274 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY THE SELLING SHAREHOLDERS ("OFFER FOR SALE") COMPRISING UP TO 3,396,187 EQUITY SHARES AGGREGATING UP TO [●] MILLION BY VIPUL PAREKH, UP TO 1,626,183 EQUITY SHARES AGGREGATING UP TO [●] MILLION BY KAKSHA VIPUL PAREKH, UP TO 1,670,835 EQUITY SHARES AGGREGATING UP TO [●] MILLION BY YASH VIPUL PAREKH (EACH, THE "PROMOTER SELLING SHAREHOLDER"), AND UP TO 2,231,069 EQUITY SHARES AGGREGATING UP TO [●] MILLION BY DÖTERRA ENTERPRISES, SÀRL ("INVESTOR SELLING SHAREHOLDER", AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES, THE "OFFERED SHARES").

OUR COMPANY, IN CONSULTATION WITH THE BRLM, MAY CONSIDER A PRE-IPO PLACEMENT FOR AN AMOUNT AGGREGATING UP TO ₹ 350.00 MILLION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR"), THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE. PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT IN LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND THE PROSPECTUS.

THE FACE VALUE OF EQUITY SHARES IS ₹ 2 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH LANGUAGE NATIONAL DAILY WITH WIDE CIRCULATION, ALL EDITIONS OF [●], A HINDI LANGUAGE NATIONAL DAILY WITH WIDE CIRCULATION AND [●] EDITION OF [●], A MARATHI DAILY NEWSPAPER WITH WIDE CIRCULATION (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES, IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision 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 unforeseen circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLM, in accordance with the SEBI ICDR Regulations (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("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 QIB Portion (other than the Anchor Investor Portion) (the "Net QIB Portion"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, 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 to Non-Institutional Investors ("Non-Institutional Portion") of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 1.00 million and undersubscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Bidders in the other sub-category of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors ("Retail Portion"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("ASBA") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or pursuant to the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" beginning on page 397.

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 2. The Floor Price, Cap Price and Offer Price, determined by our Company, in consultation with the Book Running Lead Manager and subject to applicable law, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process and in accordance with the SEBI ICDR Regulations, as stated under "Basis for the Offer Price" beginning on page 119, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares 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" beginning on page 29.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only statements and undertakings expressly made by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. Each of the Selling Shareholders, in such capacity, does not assume any responsibility for any other statements and undertakings, including without limitation, any and all of the statements and undertakings made by or in relation to the Company or its business or any other person, in this Draft Red Herring Prospectus.

LISTING

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 454.

BOOK RUNNING LEAD MANAGER



Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel, ST Depot, Prabhadevi, Mumbai – 400 025, Maharashtra, India
Telephone: +91 22 7193 4380
E-mail: gem.ipo@motilaloswal.com
Website: www.motilaloswalgroup.com
Investor grievance e-mail: moiapredressal@motilaloswal.com
Contact person: Sukant Goel / Ronak Shah
SEBI registration no.: INM000011005

REGISTRAR TO THE OFFER



KFin Technologies Limited
Selenium Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India.
Tel: +91 40 67162222
E-mail: gal.ipo@kfintech.com
Website: www.kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M. Murali Krishna
SEBI registration number.: INR000000221

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE*	[●]	BID/OFFER OPENS ON*	[●]	BID/OFFER CLOSES ON**A	[●]
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*Our Company in consultation with the BRLM and subject to applicable law, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date.

**Our Company in consultation with the BRLM and subject to applicable law, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date, in accordance with the SEBI ICDR Regulations.

***UPI mandate end time and date shall be 5:00 p.m. on the Bid/ Offer Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined hereinafter). In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

*Notwithstanding the foregoing, terms used in “**Description of Equity Shares and Main Provisions of the Articles of Association**”, “**Statement of Possible Special Tax Benefits**”, “**Industry Overview**”, “**Key Regulations and Policies**”, “**History and Certain Corporate Matters**”, “**Basis for the Offer Price**”, “**Restriction on Foreign Ownership of Indian Securities**”, “**Financial Information**” and “**Outstanding Litigation and Material Developments**” beginning on pages, 423, 129, 143, 230, 237, 119, 421, 270 and 360, respectively, will have the meaning ascribed to such terms in those respective sections.*

Term	Description
‘our Company’, ‘Company’ or ‘Issuer’	Gem Aromatics Limited (formerly known as Gem Aromatics Private Limited), a company incorporated under the Companies Act, 1956 and having its registered office at A/410, Kailas Complex, Vikhroli Powai Link Road, Park Site, Vikhroli (W), Mumbai – 400 079, Maharashtra, India
‘we’, ‘us’, or ‘our’	Unless the context otherwise indicates or implies or refers to our Company together with our Subsidiaries, on a consolidated basis

Company Related Terms

Term	Description
‘AoA’ or ‘Articles of Association’ or ‘Articles’	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 SEBI Listing Regulations and as described in “ Our Management – Committees of our Board ” on page 252
‘Auditors’ or ‘Statutory Auditors’	The Statutory auditors of our Company, namely M/s Chhajed & Doshi, Chartered Accountants
‘Board’ or ‘Board of Directors’	The board of directors of our Company and where applicable or implied by context, any duly constituted committee thereof. For further details see “ Our Management – Board of Directors ” on page 245
Chairman and Whole-Time Director	The chairman and whole-time director of our Company, namely, Vipul Parekh. For further details see “ Our Management – Board of Directors ” on page 245
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely, Pooja Padam Bhandari. For further details see “ Our Management – Key Managerial Personnel and Senior Management ” on page 260
Corporate Office	The corporate office of our Company, situated at A/503, Kailas Complex, Vikhroli Powai Link Road, Park Site, Vikhroli (West), Mumbai – 400 079, Maharashtra, 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 and as described in “ Our Management – Committees of our Board ” on page 252
Director(s)	The director(s) on the Board of our Company as appointed from time to time. For further details, see “ Our Management – Board of Directors ” on page 245
dōTERRA	dōTERRA Enterprises, Sàrl
Equity Shares	The equity shares of our Company of face value of ₹ 2 each

Term	Description
Executive Director(s)	The executive directors on our Board, as appointed from time to time. For further details, see “ Our Management – Board of Directors ” on page 245
First SHA Amendment Agreement	The first amendment to the shareholders agreement dated December 12, 2023, executed among Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, dōTERRA Enterprises, Sàrl, and our Company
Group Companies	Our group companies identified in accordance with Regulation 2(1)(t) of the SEBI ICDR Regulations and the Materiality Policy. For further details, see “ Group Companies ” beginning on page 369
Independent Chartered Engineer	The chartered engineer appointed by our Company, namely, Anjaria Enviro Tech Private Limited
Independent Director(s)	Independent directors on our Board, and who are eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, see “ Our Management – Board of Directors ” on page 245
Inter-se Shareholder Agreement	Inter-se Shareholder agreement dated December 25, 2024 entered into between Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, Parekh Family Trust and dōTERRA Enterprises, Sàrl
IPO Committee	The IPO committee of our Board, constituted to facilitate the process of the Offer, and as described in “ Our Management – Committees of our Board ” on page 252
Investor Selling Shareholder	The investor selling shareholder being, dōTERRA Enterprises, Sàrl
Key Managerial Personnel	The key managerial personnel of our Company in accordance with Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act and as disclosed in “ Our Management – Key Managerial Personnel and Senior Management ” on page 260
Managing Director and Chief Executive Officer	The managing director and chief executive officer of our Company, namely, Yash Vipul Parekh. For further details, see “ Our Management – Board of Directors ” on page 245
Materiality Policy	The policy adopted by our Board pursuant to its resolution dated December 16, 2024, for identification of: (a) material outstanding litigation involving our Company, our Subsidiaries, our Promoters and our Directors; (b) Group Company(ies); and (c) material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus.
Material Subsidiary	The material subsidiary of our Company being, Gem Aromatics LLC
‘Memorandum of Association’ or ‘MoA’	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the SEBI Listing Regulations and as described in “ Our Management – Committees of our Board ” on page 252
Non-Executive Director(s)	The non-executive directors on our Board, as appointed from time to time. For further details, see “ Our Management – Board of Directors ” on page 245
Promoters	The promoters of our Company being, Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, and Parekh Family Trust
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “ Our Promoters and Promoter Group – Our Promoter Group ” on page 267
Promoter Selling Shareholders	The promoter selling shareholders being, Vipul Parekh, Kaksha Vipul Parekh and Yash Vipul Parekh
‘Registrar of Companies’ or ‘RoC’	Registrar of Companies, Maharashtra at Mumbai
Registered Office	The registered office of our Company, situated at A/410, Kailas Complex, Vikhroli Powai Link Road, Park Site, Vikhroli (W), Mumbai – 400 079, India
Restated Consolidated Financial Information	<p>The restated consolidated financial information of our Company and our Subsidiaries comprising the restated consolidated statement of assets and liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the restated summary statements of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows for the six months ended September 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary statement of material accounting policies, and other explanatory notes, prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.</p> <p>The Restated Consolidated Financial Statements of our Company and our subsidiaries have been prepared to comply in all material respects with the Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation</p>

Term	Description
	requirements of Division II of Schedule III to the Companies Act, as applicable, to the consolidated financial statements and other relevant provisions of the Companies Act.
Risk Management Committee	The risk management committee of our Company, constituted in accordance with the applicable provisions of the SEBI Listing Regulations and as described in “ <i>Our Management - Committees of our Board</i> ” on page 252
Selling Shareholders	The Promoter Selling Shareholders and Investor Selling Shareholder being, Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, and dōTERRA Enterprises, Sàrl
Senior Management	Senior management of our Company in accordance with Regulation 2(1) (bbbb) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Management – Key Managerial Personnel and Senior Management</i> ” on page 260
SHA Amendment Agreement	The second amendment to the shareholders agreement dated December 25, 2024 executed among Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, dōTERRA Enterprises, Sàrl, Parekh Family Trust and our Company.
Share Purchase Agreement	Share purchase agreement dated April 11, 2019, by and between Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, Vipul Parekh (HUF), dōTERRA Enterprises, Sàrl and our Company.
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
Shareholders’ Agreement	Shareholders’ agreement dated April 11, 2019 by and between Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, Vipul Parekh (HUF), dōTERRA Enterprises, Sàrl and our Company, as amended by the First SHA Amendment Agreement and the SHA Amendment Agreement
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management – Committees of Our Board</i> ” on page 252
Subsidiaries	The subsidiaries* of our Company, being Krystal Ingredients Private Limited and Gem Aromatics LLC. For further details, see “ <i>History and Certain Corporate Matters - Our Subsidiaries</i> ” on page 242 <i>*Gem Aromatics FZ LLC ceased to be a subsidiary of our Company with effect from June 13, 2024, pursuant to de-registration.</i>
Supply Agreement	Supply agreement dated April 11, 2019 and amendment to the Supply Agreement dated November 4, 2023, between dōTERRA Global Limited (<i>formerly known as dōTERRA GH Ireland Limited</i>) and our Company
Whole-Time Director and Chief Financial Officer	The whole-time director and chief financial officer of our Company, namely, Kaksha Vipul Parekh. For further details, see “ <i>Our Management – Board of Directors</i> ” on page 245

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this regard
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
‘Allot’ or ‘Allotment’ or ‘Allotted’	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders
Allotment Advice	The note or advice or intimation of Allotment sent to successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus which has bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which the Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company in consultation with the BRLM, on the Anchor Investor Bidding Date
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which BRLM will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed

Term	Description
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLM
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLM, 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'	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidder for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidders which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder
ASBA Bidders	All bidders except Anchor Investor(s)
ASBA Form	An application form, whether physical or electronic, used by the ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer as described in " Offer Procedure " beginning on page 397
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term 'Bidding' shall be construed accordingly
Bid Amount	In relation to each bid, the highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of the Bid in the Offer, as applicable
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares of face value of ₹2 each and in multiples of [●] Equity Shares of face value of ₹2 each thereafter
Bid/ Offer Period	Except in relation to Bids by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days

Term	Description
Bid/Offer Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located). In case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank</p> <p>Our Company, in consultation with the BRLM, 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 be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations</p>
Bid/Offer Opening Date	<p>Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located)</p>
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The 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 Manager’ or ‘BRLM’	The book running lead manager to the Offer namely, Motilal Oswal Investment Advisors Limited
Broker Centres	Broker centres of the Registered Brokers where ASBA Bidders can submit the ASBA Forms, provided that UPI Bidders may only submit ASBA Forms as such broker centres if they are Bidding using the UPI Mechanism. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
‘CAN’ 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, on/after the Anchor Investor Bidding Date.
Cap Price	<p>The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof.</p> <p>The Cap Price shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price.</p>
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Manager, the Syndicate Members, the Bankers to the Offer in accordance with UPI Circulars, for <i>inter alia</i> , the appointment of the Banker(s) to the, Offer for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) 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 the Bidder’s beneficiary account.
‘Collecting Depository Participant’ or ‘CDP’	A depository participant as defined under the Depositories Act, 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 and other applicable circulars issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com , as updated from time to time
‘Collecting Registrar and Share Transfer Agents’ or ‘CRTAs’	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of among others, SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com , as updated from time to time

Term	Description
Cut-off Price	Offer Price, finalised by our Company, in consultation with the BRLM 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 Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Cut-Off Time	For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on after the Bid/Offer Closing Date
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, where applicable.
Designated CDP Locations	Such locations of the CDPs where ASBA 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 at www.bseindia.com and www.nseindia.com and updated from time to time
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as appropriate, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instructions issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account(s), and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer
Designated Intermediaries	In relation to ASBA Forms submitted by UPI Bidders (not using the UPI Mechanism) authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs In relation to ASBA Forms submitted by QIBs and Non Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate/agents, Registered Brokers, CDPs and RTAs
Designated RTA Locations	Such centres of the RTAs where ASBA Bidders can submit the ASBA Forms (in case of UPI Bidder only ASBA Forms under UPI). The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchanges www.bseindia.com and www.nseindia.com and as updated from time to time
Designated SCSB Branches	Such branches of the SCSBs, which shall collect the ASBA Forms, a list of which is available on the website of SEBI www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
'Draft Red Herring Prospectus' or 'DRHP'	This draft red herring prospectus dated December 28, 2024 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 and includes any addenda or corrigenda thereto
Eligible FPIs	FPIs that are eligible to participate in this Offer in terms of applicable laws
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid
Escrow Collection Bank	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder 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

Term	Description
F&S	Frost and Sullivan (India) Private Limited
F&S Report	Industry report titled ' <i>Independent Market Report for Gem Aromatics</i> ' dated December 26, 2024, prepared and issued by F&S appointed by our Company pursuant to an engagement letter dated October 1, 2024, and exclusively commissioned and paid for by our Company in connection with the Offer. A copy of the F&S Report is available on the website of our Company at www.gemaromatics.com/industry-reports/
Floor Price	The lower end of the Price Band, ₹ [●] subject to any revision(s) thereto, not being less than the face value of the 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
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Fresh Issue	The fresh issue of up to [●] Equity Shares of face value of ₹ 2 each by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 1,750.00 million. For information, see " <i>The Offer</i> " beginning on page 75* <i>* Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus</i>
General Information Document	The general information document for investing in public issues prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI suitably modified and updated pursuant to, among others, the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM
Gross Proceeds	The gross proceeds of the Fresh Issue
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into amongst our Company and the Monitoring Agency prior to the filing of the Red Herring Prospectus
Mutual Fund Portion	The portion of the Offer being 5% of the Net QIB Portion consisting of [●] Equity Shares of face value of ₹ 2 each which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under SEBI Mutual Funds Regulations, 1996
Net Proceeds	The proceeds of the Fresh Issue less our Company's share of the Offer related expenses applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Offer expenses, see " <i>Objects of the Offer</i> " beginning on page 108
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
'Non-Institutional Bidders' or 'NIB(s)'	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares of face value of ₹ 2 each which shall be available for allocation to Non-Institutional Bidders of which (i) one third portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million; and (ii) two-thirds portion shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
'Non-Resident' or 'NR'	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs

Term	Description
Offer	<p>The initial public offering of up to [●] Equity Shares of face value of ₹2 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] each), aggregating up to ₹ [●] million by our Company comprising a Fresh Issue of [●] Equity Shares of face value of ₹2 each aggregating up to ₹ 1,750.00 million, an Offer for Sale of up to 8,924,274 Equity Shares of face value of ₹ 2 each aggregating to ₹ [●] million by the Selling Shareholders.</p> <p>Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus</p>
Offer Agreement	The agreement dated December 28, 2024, entered into amongst our Company, the Selling Shareholders and the BRLM pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale component of the Offer of up to 8,924,274 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million, comprising of an offer for sale of up to 3,396,187 Equity Shares of face value of ₹ 2 each by Vipul Parekh aggregating up to ₹ [●] million, up to 1,626,183 Equity Shares of face value of ₹ 2 each by Kaksha Vipul Parekh aggregating up to ₹ [●] million, up to 1,670,835 Equity Shares of face value of ₹ 2 each by Yash Vipul Parekh aggregating up to ₹ [●] million and up to 2,231,069 Equity Shares of face value of ₹ 2 each by dōTERRA Enterprises, Sàrl aggregating up to ₹ [●] million
Offer Price	<p>₹ [●] per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors as determined in accordance with the Book Building Process and determined by our Company, in consultation with the Book Running Lead Manager, in terms of the Red Herring Prospectus on the Pricing Date. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus.</p> <p>The Offer Price will be decided by our Company, in consultation with the BRLM, on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus</p>
Offered Shares	Up to 8,924,274 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million offered for sale by the Selling Shareholders in the Offer for Sale component of the Offer. For details, see “ <i>The Offer</i> ” beginning on page 75
Pre-IPO Placement	Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus

Term	Description
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 Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLM, and will be advertised in all editions of [●], (a widely circulated English national daily newspaper), all editions of [●], (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra where our Registered Office is situated) at least two Working Days prior to the Bid/ Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	Bank account 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)	The bank with which the Public Offer Account is opened for collection of Bid Amounts from Escrow Account and ASBA Account on the Designated Date
‘QIB Category’ or ‘QIB Portion’	The category of the Offer (including the Anchor Investor Portion), being not more than 50% of the Offer, consisting of [●] Equity Shares of face value of ₹ 2 each aggregating to ₹ [●] million, which shall be available for allocation to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price (for Anchor Investors)
‘Qualified Institutional Buyer(s)’ or ‘QIB(s)’ or ‘QIB Bidder(s)’	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
‘Red Herring Prospectus’ or ‘RHP’	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Bid/ Offer Opening Date shall be at least three Working Days after the filing of red herring prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer which are a clearing member registered with SEBI under SEBI BTI Regulations with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of SEBI circular no. CIR/ CFD/ 14/ 2012 dated October 4, 2012 and the UPI Circulars issued by SEBI
Registrar Agreement	The agreement dated December 26, 2024 amongst our Company, the Selling Shareholders, and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
‘Registrar to the Offer’ or ‘Registrar’	KFin Technologies Limited
‘Retail Individual Bidder(s)’ or ‘Retail Individual Investors’ or ‘RIB(s)’ or ‘RII(s)’	Individual Bidders who have Bid for the Equity Shares for an amount not more than ₹0.20 million in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting [●] Equity Shares of face value of ₹ 2 each available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price

Term	Description
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s). 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
SCORES	SEBI Complaints Redressal Mechanism
'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 authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at 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. 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 applications, 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 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	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent in connection with the transfer of the respective portion of Equity Shares under the Offer being offered by each Selling Shareholder in the Offer for Sale portion of the Offer and credit of such Equity Shares to the demat account of the Allottees. in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Bank(s)	The Bankers to the Offer registered with SEBI, which will be appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms
STT	Securities transaction tax
'Syndicate' or 'members of the Syndicate'	Together, the BRLM and the Syndicate Members
Syndicate Agreement	The syndicate agreement to be entered into amongst our Company, the Registrar, the Selling Shareholders, the BRLM and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than the BRLM) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]
'Systemically Important Non-Banking Financial Company' or 'NBFC-SI'	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	The agreement amongst the Underwriters, our Company, the Selling Shareholders and the Registrar to be entered into on or after the Pricing Date but prior to filing of Prospectus with the RoC
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI

Term	Description
UPI Bidder(s)	Collectively, individual investors applying as Retail Individual Bidders in the Retail Portion and individuals applying as Non-Institutional Bidder with a Bid Amount of up to ₹ 0.50 million in the Non-Institutional Portion. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 0.50 million shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circular	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI ICDR Master Circular and SEBI RTA Master Circular (to the extent it pertains to UPI) and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference number 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders using the UPI Mechanism initiated by the Sponsor Banks to authorise blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by UPI Bidders to make a Bids in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Working Day(s)	All days on which commercial banks in Maharashtra, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/ Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Maharashtra, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI, including UPI Circulars

Technical and Industry Related Terms

Term	Description
API	Active pharmaceutical ingredient
AYUSH	Ministry of AYUSH (Ayurveda, Yoga, Naturopathy, Unani, Siddha, Sowa-Rigpa and Homoeopathy) established by Government of India in 2014 to support alternative medicine systems through research, workshops, and skill development.
Budaun Facility	Manufacturing unit of our Company situated at Khasra 8 9 10, Gathona, Ujhani, Budaun, Uttar Pradesh, 243639
CEP	Certificates of suitability
CMO	Contract manufacturing organization
Consumer Market	Consumer market including both staples and discretionary product sectors

Term	Description
Dahej Facility	Manufacturing unit of our subsidiary i.e., Krystal Ingredients Private Limited situated at plot No. D-3/97, GIDC Industrial Estate, Dahej-III, Vagra, Bharuch
DCA Rules	The Drugs Rules, 1945 and Cosmetics Rules, 2020, each as amended
DIY	Do IT Yourself
DMO	Dementholized mint oil
'Drugs and Cosmetics Act' or 'DCA'	Drugs and Cosmetics Act, 1940, as amended
EBITDA (₹ million)	Profit/ (loss) for the period/year plus finance costs, depreciation and amortization, exceptional items and total income tax expenses less other income
EBITDA Margin (%)	EBITDA divided by Revenue from operations
ERP	Enterprise Resource Planning
FBO	Food business operator
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FMCG	Fast Moving Consumer Goods, for the purpose of this report the following consumer market numbers are considered as part of FMCG- Food, Beverage, Tobacco Products, Beauty and Personal Care, OTC Pharmaceuticals and Home and laundry Care (Note: The value will be much lower if only processed foods and beverages are considered)
FSSAI	Food Safety and Standards Authority of India
FVTPL	Fair Value through Profit and Loss
GDP	Gross domestic product
Gross Fixed Assets Turnover Ratio (in times)	Revenue from operations for the period/year divided by cost of property, plant and equipment, capital work-in-progress, right-of-use assets, goodwill, other intangible assets & intangible assets under development. In case of unavailability of cost of right-of-use assets, we have taken the carrying value
Gross Margin (%)	Gross profit divided by Revenue from operations
Gross Profit (₹ million)	Revenue from operations minus cost of raw materials consumed minus purchase of stock-in-trade (traded goods) minus (increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade
Growth in revenue from operations (%)	Percentage of Revenue from operations of the year minus Revenue from operations of the preceding year, divided by Revenue from operations of the preceding year
Mother Ingredients	Mother Ingredients are the foundational raw materials or base substances from which other compounds, derivatives, or final products are synthesized, manufactured, or extracted
MTPA	Metric tonnes per annum
Net Debt to Total Equity (in times)	Net debt divided by total equity. Net Debt is calculated as current borrowings (including current maturities of non-current borrowings) plus non-current borrowings less cash and cash equivalents less other bank balances
Net Working Capital Cycle (days)	Net working capital divided by revenue from operations multiplied by 365 (year)/183 (six month's). Net Working Capital is calculated as inventories plus trade receivables minus trade payables.
NOP	National Organic Programme
NPOP	National Programme for Organic Production
OTC	Over the Counter- these include medicines sold without any prescriptions
PAT Margin (%)	Profit/ (loss) for the period/year divided by total income
R&D Facility	Our R&D facility located in Maharashtra, India
Return on Capital Employed (%)	EBIT divided by capital employed. Capital employed is calculated as total equity plus current borrowings (including current maturities of non-current borrowings), non-current borrowings and deferred tax liability. EBIT is calculated as EBITDA less depreciation and amortization.
Return on Equity (%)	Profit/ (loss) for the period/year (excluding share of minority in profits) divided by total equity (excluding non-controlling interest)
Revenue from Operations (₹ million)	Revenue from operations for the period/year
SAP	Systems applications and products in data processing
Silvassa Facility	Manufacturing unit of our Company situated at Near Alok Industries, Plot no 2, Survey No.16/4/2, Village Rakholi, Silvassa, Dadra and Nagar haveli, Dadra and Nagar Haveli and Daman and Diu, 396230
Value-Added Derivatives	Value-added derivatives refer to products derived from Mother Ingredients or base raw materials that have undergone additional processing, refinement, or modification to enhance their functionality, application, or market value.

Conventional and General Terms and Abbreviations

Term	Description
‘₹’ or ‘Rs.’ or ‘Rupees’ or ‘INR’	Indian Rupees
Air Act	The Air (Prevention and Control of Pollution) Act, 1981, as amended
AGM	Annual General Meeting
AED	United Arab Emirates Dirham
‘Alternative Investment Funds’ or ‘AIFs’	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
‘AS’ or ‘Accounting Standards’	Accounting Standards issued by the Institute of Chartered Accountants of India
Banking Regulation Act	The Banking Regulation Act, 1949, as amended
BIS	Bureau of Indian Standards
BIS Act	The Bureau of Indian Standards Act, 2016, as amended
‘Bn’ or ‘bn’	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPI(s)	FPIs who are registered as ‘Category I foreign portfolio investors’ under the SEBI FPI Regulations
Category II FPI(s)	FPIs who are registered as ‘Category II foreign portfolio investors’ under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
Companies Act, 1956	erstwhile Companies Act, 1956 along with the relevant rules made thereunder
‘Companies Act’ or ‘Companies Act, 2013’	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder
Consolidated FDI Policy	The consolidated Foreign Direct Investment Policy of 2020, as amended
Consumer Protection Act	The Consumer Protection Act, 2019, as amended
Copyright Act	The Copyright Act, 1957, as amended
COVID-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020 by the World Health Organisation
CSR	Corporate Social Responsibility
CY	Calendar Year
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996, as amended
DIN	Director Identification Number
DP ID	Depository Participant’s Identification
‘DP’ or ‘Depository Participant’	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary General Meeting
EMDE(s)	Emerging Markets and Developing Economies
Environment Act	The Environment (Protection) Act, 1986, as amended
Environment Protection Rules	The Environment Protection Rules, 1986, as amended
EPS	Earnings per Share
Factories Act	The Factories Act, 1948, amended
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
‘FEMA Rules’	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
‘Financial Year’ or ‘Fiscal’, ‘fiscal’ or ‘Fiscal Year’ or ‘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
FSSR	The Food Safety and Standards Rules, 2011, as amended
FTA	The Foreign Trade (Development and Regulation) Act, 1992, as amended

Term	Description
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations, as amended
GAAP	Generally Accepted Accounting Principles
GDP	Gross domestic product
'GoI' or 'Government'	Government of India
GST	Goods and services tax
Hazardous Waste Rules	The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016, as amended
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IEC	Importer exporter code
IFRS	International Financial Reporting Standards
'Income Tax Act' or 'IT Act'	Income Tax Act, 1961, as amended
'Ind AS' or 'Indian Accounting Standards'	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
June 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021
KYC	Know Your Customer
March 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021
MCA	Ministry of Corporate Affairs, Government of India
Metrology Act	Legal Metrology Act, 2009, as amended
Metrology Rules	The Legal Metrology (Packaged Commodities) Rules, 2011
MSME	Micro, Small & Medium Enterprises
MSMED	The Micro, Small and Medium Enterprises Development Act, 2006, as amended
'N.A.' or 'NA'	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NBFC-SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
NDPS	The Narcotic Drugs and Psychotropic Substances Act, 1985, as amended
No.	Number
NPCI	National Payments Corporation of India
'NR' or 'Non-Resident'	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
NRE Account	Non-Resident External Accounts
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an 'Overseas Citizen of India Cardholder' within the meaning of Section 7(A) of the Citizenship Act, 1955
NRO	Non-Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
'OCB' or 'Overseas Corporate Body'	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to participate in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
Packaged Commodity Rules	The Legal Metrology (Packaged Commodities) Rules, 2011, as amended
PAN	Permanent Account Number
PAT	Profit After Tax
PAT Margin	PAT / Revenue from operations
Patents Act	The Patents Act, 1970, as amended
PBT	Profit Before Tax
PCB	Pollution Control Board
RBI	Reserve Bank of India

Term	Description
ROE	Return on Equity
RoNW	Return on Net Worth
ROCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Master Circular	SEBI master circular (SEBI/HO/CFD/PoD-1/P/CIR/2024/0154) dated November 11, 2024
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, as amended
SEBI RTA Master Circular	SEBI master circular number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed by the SEBI AIF Regulations
SLP	Special leave petition
Stock Exchanges	Together, BSE and NSE
Trade Marks Act	The Trade Marks Act, 1999, as amended
'U.S.' or 'USA' or 'United States'	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
'USD' or 'US\$'	United States Dollars
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, as amended

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

Certain Conventions

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

Unless stated otherwise, all information in this Draft Red Herring Prospectus is as of the date of this Draft Red Herring Prospectus and any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

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

Financial Data

Our Company’s financial year commences on April 1 and ends on March 31 of the next calendar 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 period commencing on April 1 and ending on March 31 of the next calendar year.

Unless stated otherwise or the context otherwise requires, the financial information in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. For further information, see “**Restated Consolidated Financial Information**” beginning on page 270. Unless the context requires otherwise, the restated summary statements in this Draft Red Herring Prospectus comprise of (i) our restated summary statements of assets and liabilities of our Company as at September 30, 2024 and March 31, 2024, March 31, 2023 and March 31, 2022, our restated summary statement of profit and loss (including other comprehensive income), our restated summary statement of cash flows and the restated summary statement of changes in equity for six month period ended September 30, 2024 and the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 together with the summary statement of material accounting policies, and other explanatory information relating to such financial periods derived from our audited financial statements as at and for the six month period ended September 30, 2024 and as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI, as amended from time to time.

For further information, see “**Restated Consolidated Financial Information**”, “**Other Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 270, 328 and 329, respectively.

There are significant differences between the Ind AS, the IFRS and 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. For risks relating to significant differences between Ind AS and other accounting principles, see “**Risk Factors – External Risk Factors – 61. Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors’ assessments of our financial condition**” on page 66.

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 from our Restated Consolidated Financial Information have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Due to such rounding off, in certain instances, the sum or percentage change of such numbers may not conform exactly to the total figure given. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, or ratios (excluding certain operational metrics), relating to the financial information of our Company as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 29, 208 and 329, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Information or non-GAAP financial measures as described below.

Non-GAAP Measures

Certain Non-GAAP measures relating to our financial performance, such as, Net Worth, Return on Net Worth, Net Asset Value per share, Gross Profit, Gross Margin, EBITDA, EBITDA Margin, PAT Margin, Return on Equity, Return on Capital Employed, Gross Fixed Assets Turnover Ratio, Net Debt to Total Equity and Net Working Capital Cycle (together, “**Non-GAAP Measures**”), and certain other industry metrics relating to our operations and financial performance presented in this Draft Red Herring Prospectus are a supplemental measure of our performance that are not required by, or presented in accordance with, Ind AS or IFRS. Further, these Non-GAAP Measures and other industry metrics are not a measurement of our financial performance or liquidity under Ind AS, Previous Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS or IFRS. In addition, these Non-GAAP Measures and other industry metrics are not standardised terms, hence a direct comparison of these Non-GAAP Measures and other industry metrics between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its utility as a comparative measure. Although the Non-GAAP Measures and other industry metrics are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company’s operating performance. For further details see “*Other Financial Information*” beginning on page 328 and “*Risk Factors – External Risk Factors – 61. Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors’ assessments of our financial condition*” on page 66.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America;
- “EUR” or “€” are to Euro, the official currency of the European Union;
- “GBP” or “£” are to Pound, the official currency of the United Kingdom and
- “AED” is to Dirhams, the official currency of the United Arab Emirates.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units or in whole numbers where the numbers have been too small to represent in such units. One million represents 10 lakh or 1,000,000 and ten million represents 1 crore or 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 USD, EUR, GBP, AED and the Rupee:

	(in ₹)			
Currency	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	83.79	83.37	82.22	75.81
1 EUR	93.53	90.22	89.61	84.66
1 GBP	112.16	105.29	101.87	99.55
1 AED	22.79	22.69	22.36	20.55

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

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

Industry and Market Data

Unless the context otherwise requires, the information pertaining to the industry in which our Company operates in, and the market data used in this Draft Red Herring Prospectus has been derived from the report titled “*Independent Market Report for Gem Aromatics*” dated December 26, 2024 (“**F&S Report**”) prepared by F&S pursuant to an engagement letter with F&S dated October 1, 2024, commissioned and paid for by our Company for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. F&S is an independent agency which is not related in any manner to our Company or our Promoters, Directors, KMPs, Senior Management or the Book Running Lead Manager. The data included in this section includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no material parts, data or information, that have been left out or changed in any material manner. For risks in relation to the F&S report, see “**Risk Factors – Internal Risks – 51. Certain sections of this Draft Red Herring Prospectus disclose information from the F&S Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks**”, on page 61. A copy of the F&S Report shall be made available on the website of our Company at www.gemaromatics.com/industry-reports/ in compliance with applicable laws.

The F&S Report is subject to the following disclaimer:

“Frost & Sullivan has taken due care and caution in preparing this report (“Independent Market Report for Gem Aromatics”) based on the information obtained by Frost & Sullivan from sources which it considers reliable (“Data”). This Independent Market Report for Gem Aromatics is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as Frost & Sullivan providing or intending to provide any services in jurisdictions where Frost & Sullivan does not have the necessary permission and/or registration to carry out its business activities in this regard. Gem Aromatics Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Independent Market Report for Gem Aromatics or part thereof outside India. No part of this Frost & Sullivan Report may be published/reproduced in any form without Frost & Sullivan’s prior written approval.”

Any references to various segments in the F&S Report and information derived therefrom are references to industry segments and in accordance with the presentation, analysis and categorisation in the F&S Report.

In accordance with the SEBI ICDR Regulations, “**Basis for the Offer Price**” beginning on page 119 includes information relating to our peer group companies. Such information has been obtained from publicly available sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information.

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”, “propose” “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our expected financial condition, results of operations, business, prospects, 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 industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions, in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry, incidence of natural calamities and/or acts of violence.

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

1. We derive a significant portion of our revenue from our top 10 customers. In Fiscal 2024, we derived 52.19% of our total revenue from operations from our top 10 customers. The loss of any of these customers may adversely affect our revenues and profitability.
2. We derive a significant portion of our revenue from our top customer dōTERRA Global Limited (*formerly known as dōTERRA GH Ireland Limited*) (“dōTERRA”) with whom we have entered into a supply agreement, the term of which is ending on December 31, 2028. If dōTERRA chooses not to source their requirements from us, there may be a material adverse effect on our business, financial condition, cash flows and results of operations.
3. We derive a substantial portion of our revenue from the mint and mint derivatives product category. In Fiscal 2024, we derived 72.89% of our revenue from operations from the mint and mint derivatives product category. Any reduction in demand for products under the mint and mint derivatives product category may adversely affect our revenues and profitability.
4. Our Company is involved in an on-going litigation in the Supreme Court of India with respect to the land on which our Budaun Facility is located. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.
5. One of the entities, Gopinath Dairy Products Private Limited, which is identified as a part of the Promoter Group under the SEBI ICDR Regulations is undergoing liquidation proceedings and accordingly has not provided any information in respect of itself. All information in relation to Gopinath Dairy Products Private Limited included in the DRHP is from publicly available sources. Further, Lallubhai Hargovindas Chitalia, Krishna Lallubhai Chitalia, Rajesh Lallubhai Chitalia, individual members of our Promoter Group, along with Gopinath Dairy Products Private Limited, have been identified as wilful defaulters in their capacity as directors and guarantor of Gopinath Dairy Products Private Limited.
6. We have not entered into any long-term contracts with our suppliers from whom we procure raw materials consumed by us for our manufacturing process and failure by our suppliers to meet their obligations could adversely affect our business, results of operations, financial condition and cash flows.
7. We do not have firm commitment agreements with majority of our customers. If our customers choose not to source their requirements from us, there may be a material adverse effect on our business, financial condition, cash flows and results of operations.

8. We have significance dependence on our top 10 suppliers for supply of raw materials. In Fiscal 2024, our top 10 suppliers contributed towards 68.61% of our total expenses. The loss of any of these suppliers or and failure by these suppliers to meet their obligations may adversely affect our revenues and profitability.
9. Increase in costs of raw materials, may impact our revenue from operations and profitability and may result in a materially adverse effect on our business, results of operations and financial condition.
10. Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business, cash flows and results of operations.

Certain information in “*Risk Factors*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 29, 143, 208 and 329, respectively, of this Draft Red Herring Prospectus have been obtained from the report titled “*Independent Market Report for Gem Aromatics*”, dated December 26, 2024 prepared by F&S, which has been commissioned by and paid for by our Company pursuant to an engagement letter with F&S dated October 1, 2024, exclusively for the purposes of the Offer. The F&S Report is available on the website of our Company at www.gemaromatics.com/industry-reports/.

For further discussion of factors that could cause the actual results to differ from the expectations, see “*Risk Factors*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 29, 143, 208 and 329, 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 our 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 Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders 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, Bidders 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, any of the Selling Shareholders, our Directors, the BRLM 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 ICDR Regulations, our Company shall ensure that Bidders in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by it in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. In accordance with the requirements of SEBI, each Selling Shareholder shall, severally and not jointly, ensure that our Company is informed of material developments (solely to the extent of statements specifically made or confirmed by such Selling Shareholder in relation to their respective portion of Offered Shares in this Draft Red Herring Prospectus) from the date of filing of the Red Herring Prospectus with the RoC and the Prospectus until the time of the grant of listing and trading approval by the Stock Exchanges for this Offer. Further, only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder in relation to itself and its respective portion of the Offered Shares, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder as of the date of this Draft Red Herring Prospectus.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer and is neither exhaustive, nor does it purport to contain a summary of 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 the sections titled “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Description of Equity Shares and Main Provisions of the Articles of Association” beginning on pages 29, 75, 90, 108, 143, 208, 263, 270, 329, 360, 397 and 423 respectively.

Summary of primary business of our Company.

We are an established manufacturer of specialty ingredients, including, essential oils, aroma chemicals and Value-Added Derivatives in India with a track record of over two decades. We offer a diversified portfolio of products, ranging from the Mother Ingredients to its various Value-Added Derivatives. Our products find application across a broad spectrum of industries, such as, oral care, cosmetics, nutraceuticals, pharmaceuticals, wellness and pain management and personal care. Our track record, diverse product portfolio and brand recall has helped us establish several leadership positions within our product portfolio.

For details, see “Our Business” beginning on page 208.

Summary of industry in which our Company operates

India’s chemical industry is one of the most diversified globally, and the specialty chemicals segment represents a significant growth area. With the global shift towards sustainability, technological advancements, and changing market dynamics, India is uniquely positioned to capitalize on these opportunities. Indian chemicals sector is set for rapid growth, with specialty chemicals expected to be the most lucrative segment. India attracts investment as companies diversify away from China. Chemical industry revenue has been growing at an average rate of 15% in the last 5 years. The Indian chemicals sector stands out as one of the most rapidly advancing industries globally. (Source: F&S Report)

For details, see “Industry Overview” beginning on page 143.

Our Promoters

Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, and Parekh Family Trust are the Promoters of our Company. For details, see “Our Promoters and Promoter Group” beginning on page 263.

Offer size

The following table summarizes the details of the Offer:

Offer⁽¹⁾	Up to [●] Equity Shares of face value of ₹ 2 each for cash at price of ₹[●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to ₹ [●] million
Of which	
Fresh Issue^{(1)^}	Up to [●] Equity Shares of face value of ₹ 2 each aggregating up to ₹ 1,750.00 million
Offer for Sale⁽²⁾	Up to 8,924,274 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million

(1) The Offer has been authorized pursuant to the resolution passed by our Board dated December 16, 2024 and the Fresh Issue has been authorized by our Shareholders pursuant to a special resolution passed on December 17, 2024.

(2) Our Board has taken on record the approval for the Offer for Sale by each of the Selling Shareholders pursuant to its resolution dated December 16, 2024. Each of the Selling Shareholders, severally and not jointly, confirms that its portion of the Offered Shares are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations. Each Selling Shareholder has, severally and not jointly, consented to the sale of its portion of the Offered Shares in the Offer for Sale. For further details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “The Offer” beginning on page 75.

[^]Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior

to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus

For further details, see “**The Offer**” and “**Offer Structure**” beginning on pages 75 and 393, respectively.

Objects of the Offer

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

Particulars	Total Estimated Cost
Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiary, Krystal Ingredients Private Limited; and	1,400.00
General corporate purposes ⁽¹⁾	[●]
Net Proceeds ^{(1) (2)}	[●]

⁽¹⁾ To be finalised upon determination of 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.

⁽²⁾ Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

For further details, see “**Objects of the Offer**” beginning on page 108.

Aggregate Pre-Offer shareholding of our Promoters and Promoter Group and Selling Shareholders as a percentage of the paid-up Equity Share capital

The aggregate pre-Offer shareholding of our Promoters, members of the Promoter Group and the Selling Shareholders (other than the Promoters) as a percentage of the pre-Offer paid-up share capital of the Company, as on the date of this Draft Red Herring Prospectus is set out below:

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value of ₹ 2 each held	Percentage of total pre-Offer paid up equity share capital (%)
Promoters			
1.	Vipul Parekh*	12,451,475	26.58
2.	Kaksha Vipul Parekh*	5,962,092	12.73
3.	Yash Vipul Parekh*	6,125,797	13.07
4.	Parekh Family Trust	10,600,000	22.62
	Sub-Total (A)	35,139,364	75.00
Investor Selling Shareholder			
1.	dōTERRA Enterprises, Sàrl	11,713,144	25.00
	Sub-Total (B)	11,713,144	25.00
Promoter Group			
1.	Yash Vipul Parekh (HUF)	5	Negligible
2.	Vruta Yash Parekh	5	Negligible
3.	Prisha Yash Parekh	5	Negligible
	Sub-Total (C)	15	Negligible
	Total (A+B+C)	46,852,523	100.00

*Also the Promoter Selling Shareholder

For further details, see “**Capital Structure**” beginning on page 90.

Summary of Restated Consolidated Financial Information

The details of certain financial information as set out under the SEBI ICDR Regulations as at six months period ended September 30, 2024, and for the Fiscals 2024, 2023, and 2022, as derived from the Restated Consolidated Financial Information are set forth below:

(₹ in million, except per share data)

Particulars	As at and for the			
	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity share capital	93.71	93.71	17.85	17.85
Total equity	2,488.63	2,305.48	1,795.31	1,381.59
Net worth ⁽¹⁾	2,488.63	2,305.48	1,795.31	1,381.59
Revenue from operations	2,048.94	4,524.52	4,247.93	3,143.29
Restated profit after tax	183.25	501.04	446.72	311.86
Earnings per Equity Share (of face value of ₹ 2 each)				
- Basic ⁽²⁾⁽⁴⁾	3.91*	10.69	9.53	6.66
- Diluted ⁽³⁾⁽⁴⁾	3.91*	10.69	9.53	6.66
Net asset value per Equity Share ⁽⁵⁾	53.12	49.21	38.32	29.49
Total borrowings ⁽⁶⁾	1,253.50	1,111.25	893.61	769.21

*Not annualized.

Notes:

- (1) Net worth has been defined as the aggregate value of the paid-up equity 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on September 30, 2024, March 31, 2024, 2023 and 2022 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended.
- (2) Earnings per Equity Share (Basic) = Restated profit for the period/year attributable to the equity holders of our Company divided by weighted average number of equity shares outstanding during the period/year.
- (3) Earnings per Equity Share (Diluted) = Restated profit for the period/year attributable to equity holders of our Company divided by weighted average number of equity shares outstanding during the period/year considered for deriving basic earnings per share and the weighted average number of Equity Shares during the period/year as adjusted for the effects of all dilutive potential Equity Shares during the year/ period.
- (4) Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'.
- (5) Net Asset Value per Equity share is calculated as restated net worth for the year/ period attributable to owners of the Company divided by weighted average number of equity shares for the year/ period.
- (6) Total borrowings are computed as current borrowings plus non-current borrowings.

For further details, see “**Restated Consolidated Financial Information**” beginning on page 270.

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

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

Summary of Outstanding Litigation and Material Developments

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

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding actions	Material civil litigations [#]	Aggregate amount involved* (₹ in million)
Company						
By our Company	1	NA	NA	NA	Nil	Nil
Against our Company	Nil	17	1	NA	Nil	397.92

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding actions	Material civil litigations [#]	Aggregate amount involved* (₹ in million)
Subsidiaries						
By our Subsidiaries	Nil	NA	NA	NA	Nil	Nil
Against our Subsidiaries	Nil	Nil	Nil	NA	Nil	Nil
Directors						
By our Directors	1	NA	NA	NA	Nil	Nil
Against our Directors	Nil	5	Nil	NA	Nil	3.05
Promoters						
By our Promoters	1	NA	NA	NA	Nil	Nil
Against our Promoters	Nil	5	Nil	Nil	Nil	3.05

* To the extent quantifiable.

In accordance with the Materiality Policy.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” beginning on page 360.

Further, as on the date of this Draft Red Herring Prospectus, there are no outstanding litigation proceedings involving our Group Companies, the outcome of which could have a material impact on our Company.

Risk Factors

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

Summary of contingent liabilities of our Company

The following is a summary table of our contingent liabilities as at September 30, 2024, as indicated in the Restated Consolidated Financial Information:

Particulars	(₹ in million) As at September 30, 2024
I. Contingent liabilities:	
(a) Claims against our Company not acknowledged as debt	
Under customs regulations	300.77
Under income tax act	56.66
Under goods and services tax act	40.49
Under MSMED act	0.55
Under Uttar Pradesh trade tax regime	176.48
Total contingent liabilities	574.95

For details, see “*Restated Consolidated Financial Information – Note 41 – Commitments and contingent liabilities*” on page 323.

Summary of Related Party Transactions

The summary of related party transactions, as per the requirements under Ind AS 24 – Related Party Disclosures, entered into by us for the six months period ended September 30, 2024 and Fiscals 2024, 2023 and 2022, as derived from the Restated Consolidated Financial Information are as set out in the table below:

(₹ in million, unless otherwise stated)

Sr. No	Particulars	Six months Period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1	Remuneration				
	Kaksha Vipul Parekh	6.94	12.07	10.49	9.13
	Vipul Parekh	6.94	12.07	10.49	9.13
	Yash Vipul Parekh	6.94	12.07	30.96	30.11
	Dinesh TV	2.71	2.14	Nil	Nil
	Shaila Sachin Ghangurde	0.07	0.90	0.00	Nil
	Pooja Padam Bhandari	0.30	Nil	Nil	Nil
	Close Members of KMP				
	Vruta Yash Parekh	0.16	0.30	0.23	0.25
	Blessy Dinesh Thekkepanakkal	Nil	0.43	Nil	Nil
2	Advances given				
	Kaksha Vipul Parekh	Nil	Nil	Nil	7.20
	Vipul Parekh	Nil	Nil	Nil	3.00
3	Advance salary				
	Yash Vipul Parekh	Nil	Nil	Nil	4.98
4	Revenue from operations				
	Doterra Global Limited (“Doterra Group”)	1.54	854.57	860.97	492.51
5	Purchase				
	Doterra Global Limited	0.53	Nil	Nil	Nil
6	Payment of Lease Liabilities				
	Kaksha Vipul Parekh	1.21	2.35	2.21	2.10
	Vipul Parekh	1.29	2.51	2.35	2.24
7	Expenses incurred by directors on behalf of the company				
	Kaksha Vipul Parekh	Nil	Nil	Nil	0.10
	Vipul Parekh	Nil	Nil	Nil	0.27
	Yash Vipul Parekh	Nil	Nil	Nil	Nil
8	Reimbursement of Expenses				
	Vipul Parekh	Nil	0.06	0.19	Nil
	Kaksha Vipul Parekh	Nil	Nil	0.01	Nil
	Yash Vipul Parekh	Nil	Nil	0.53	Nil
9	Guarantees and collaterals				
	(i) Guarantees given by the directors on behalf of the company				
	(a) Kaksha Vipul Parekh	Nil	Nil	Nil	256.21
	(b) Vipul Parekh	Nil	Nil	Nil	256.21
	(c) Yash Vipul Parekh	Nil	Nil	789.85	256.21
10	Donations Given				
	Gem Foundation	Nil	1.30	Nil	Nil
11	Corporate Social Responsibility Expense				
	Gem Foundation	3.94	Nil	Nil	Nil
	Sanskriti Welfare Trust	0.10	0.46	Nil	Nil
12	Repayment of advance given				
	Dinesh TV	Nil	0.20	Nil	Nil
13	Advance Received				
	Doterra International LLC	Nil	1.66	Nil	Nil
14	Director Sitting Fees				
	Shrenik Kishorbhai Vora	0.13	0.20	Nil	Nil
	Ajay Sahai	0.10	0.15	Nil	Nil
	Parag Ratnakar Gogate	0.08	0.08	Nil	Nil
	Vishakha Hari Bhagvat	0.10	0.13	Nil	Nil
	Shubhangi Bhalchandra Umbarkar	0.05	0.08	Nil	Nil

For details of the related party transactions and the related party transaction eliminated on consolidation, as per the requirements under Ind AS 24 ‘Related Party Disclosures’ read with the SEBI ICDR Regulations for the six months period ended September 30, 2024, and Fiscals 2024, 2023 and 2022, see “*Restated Consolidated Financial Information – Note 32 - Related party transactions*” on page 308.

Financing Arrangements

There have been no 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 our Company, other than in the normal course of business of the relevant financing entity, during a 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 the Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus

Our Promoters (*including the Promoter Selling Shareholders*) and the Investor Selling Shareholder have not acquired any specified securities in the last one year preceding the date of this Draft Red Herring Prospectus.*

* As certified by M/s Chhajed & Doshi, Chartered Accountants, by way of their certificate dated December 28, 2024.

Weighted average cost of acquisition of all shares transacted in last one year, 18 months and three years preceding the date of this Draft Red Herring Prospectus

The weighted average cost of acquisition for all specified securities acquired in one year, 18 months and three years preceding the date of the Draft Red Herring Prospectus, respectively is mentioned below:

Period	Weighted average cost of acquisition (in ₹)**	Cap Price is 'x' times the weighted average cost of acquisition**	Range of acquisition price per Equity Share of face value of ₹ 2: lowest price – highest price (in ₹)#
Last one year preceding the date of this Draft Red Herring Prospectus	Nil	[•]	NA
Last 18 months preceding the date of this Draft Red Herring Prospectus	Nil	[•]	NA
Last three years preceding the date of this Draft Red Herring Prospectus	Nil	[•]	NA

* As certified by M/s Chhajed & Doshi, Chartered Accountants, by way of their certificate dated December 28, 2024.

**To be updated upon the finalization of the Price Band.

As adjusted for Split of Equity Shares and Bonus Issue.

Average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders

The average cost of acquisition of Equity Shares by our Promoters (*including the Promoter Selling Shareholders*) and the Investor Selling Shareholder as at the date of this Draft Red Herring Prospectus is:

Sr. No	Name	Number of Equity Shares of face value of ₹2 each held	Average cost of acquisition per Equity Share of face values of ₹ 2 (in ₹)*
Promoter			
1.	Vipul Parekh#	12,451,475	0.61
2.	Kaksha Vipul Parekh#	5,962,092	0.95
3.	Yash Vipul Parekh#	6,125,797	0.81
4.	Parekh Family Trust	10,600,000	Nil
Investor Selling Shareholder			
1.	dōTERRA Enterprises, Sàrl	11,713,144	38.90

* As certified by M/s Chhajed & Doshi, Chartered Accountants, by way of their certificate dated December 28, 2024.

#Also the Promoter Selling Shareholder

Details of price at which specified securities were acquired by our Promoters, members of the Promoter Group, Selling Shareholders and Shareholders with the right to nominate Directors or any other special rights in the three years preceding the date of this Draft Red Herring Prospectus

Except as stated below, none of our Promoters (*including the Promoter Selling Shareholders*) and members of our Promoter Group, Investor Selling Shareholder have acquired any specified securities in the three years immediately preceding the date of this Draft Red Herring Prospectus. The details of the respective price at which these acquisitions were undertaken in the last three years preceding the date of this Draft Red Herring Prospectus is stated below:

Sr. No.	Name of the Promoter	Date of Acquisition	Number of Equity Shares acquired	Face Value (in ₹)	Acquisition price per Equity Share (in ₹)*
Promoters					
1.	Vipul Parekh [#]	July 14, 2023	13,803,575	2	Nil [^]
2.	Vipul Parekh [#]	October 16, 2023	3,000,000	2	Nil ^{\$}
3.	Vipul Parekh [#]	October 17, 2023	3,000,000	2	Nil ^{\$}
4.	Kaksha Vipul Parekh [#]	July 14, 2023	7,255,027	2	Nil [^]
5.	Yash Vipul Parekh [#]	July 14, 2023	7,387,562	2	Nil [^]
6.	Parekh Family Trust	October 5, 2023	10,600,000	2	Nil ^{\$}
Investor Selling Shareholder					
1.	dōTERRA Enterprises, Sàrl	July 14, 2023	9,482,069	2	Nil [^]
Promoter Group					
1.	Vruta Parekh	July 4, 2023	1	10	Nil ^{\$}
2.	Prisha Parekh	July 4, 2023	1	10	Nil ^{\$}
3.	Yash Vipul Parekh (HUF)	July 4, 2023	1	10	Nil ^{\$}

* As certified by M/s Chhajed & Doshi, Chartered Accountants, by way of their certificate dated December 28, 2024.

[#]Also the Promoter Selling Shareholder.

[^]Acquired by way of bonus issue dated July 14, 2023

^{\$}Acquisition of equity shares by way of gift

As on date of this Draft Red Herring Prospectus, we have no Shareholders with right to nominate directors or other special rights.

Pre-IPO placement

Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

Issue of equity shares of our Company for consideration other than cash in the last one year

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

Split or consolidation of equity shares in the last one year

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

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

The State Bank of India filed an application dated March 3, 2021, under Section 7 of the Insolvency and Bankruptcy Code, 2016, as amended, against Gopinath Dairy Products Limited, one of the members of our Promoter Group for initiating corporate insolvency resolution process. Pursuant to the order dated February 9, 2023, National Company Law Tribunal, Mumbai bench, had admitted the application made by the State Bank of India for initiating corporate insolvency resolution process. Subsequently, on June 25, 2024, a liquidation order was passed by the National Company Law Tribunal, Mumbai bench, under Section 33 of the Insolvency and Bankruptcy Code, 2016, as amended, against Gopinath Dairy Products Private Limited and a preferred bidder was selected by way of an auction. Accordingly, Gopinath Dairy Products Private Limited is unable to provide any information and confirmations as required under the SEBI ICDR Regulations, as a member of the Promoter Group.

Our Company had filed an application dated April 24, 2024 with SEBI under Regulation 300(1)(c) of the SEBI ICDR Regulations (“**Exemption Application**”), requesting for relaxation of the strict enforcement of the provisions of the SEBI ICDR Regulations with respect to identifying and disclosing, Gopinath Dairy Products Private Limited, a body corporate, as a member of our Promoter Group in which Lallubhai Hargovindas Chitalia, Krishna Lallubhai Chitalia, Rajesh Lallubhai Chitalia, R L Chitalia HUF and Vital Enclave Private Limited, members of our Promoter Group, together held more than 20% of the equity share capital, as required under the SEBI ICDR Regulations.

By way of a letter dated July 29, 2024 (bearing reference number SEBI/HO/CFD/RAC-DIL1/P/OW/2023/24351), SEBI has rejected the Exemption Application and has decided not to grant exemption from including/ disclosing Gopinath Dairy Products Limited and the relevant information pertaining to Gopinath Dairy Products Private Limited as required under the SEBI ICDR Regulations. Further, Gopinath Dairy Products Private Limited was also noted as a wilful defaulter.

Our Company has included disclosures pertaining to the Gopinath Dairy Products Private Limited, based on and limited only to the extent of information publicly available from the websites of certain government authorities and other public databases including the website of Gopinath Dairy Products Limited, in the section titled “***Our Promoters and Promoter Group***” beginning on page 263 of this Draft Red Herring Prospectus, in order to comply with the requirements of the SEBI ICDR Regulations. For details, see “***Risk Factors – Internal Risk Factors – 5. One of the entities, Gopinath Dairy Products Private Limited, which is identified as a part of the Promoter Group under the SEBI ICDR Regulations is undergoing liquidation proceedings and accordingly has not provided any information in respect of itself. All information in relation to Gopinath Dairy Products Private Limited included in the DRHP is from publicly available sources. Further, Lallubhai Hargovindas Chitalia, Krishna Lallubhai Chitalia, Rajesh Lallubhai Chitalia, individual members of our Promoter Group, along with Gopinath Dairy Products Private Limited, have been identified as wilful defaulters in their capacity as directors and guarantor of Gopinath Dairy Products Private Limited.***” on page 33.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below before making an investment in our Equity Shares.

*We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, our Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. For more details on our business and operations, see “**Our Business**”, “**Industry Overview**”, “**Key Regulations and Policies**”, “**Restated Consolidated Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 208, 143, 230, 270 and 329, respectively, as well as other financial information included elsewhere in this Draft Red Herring Prospectus. In making an investment decision, you must rely on your own examination of our Company and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see “**Forward-Looking Statements**” beginning on page 19.*

*Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our “**Restated Consolidated Financial Information**” beginning on page 270. Financial information for the six month period ended September 30, 2024, is not indicative of the financial results for the full year and is not comparable with financial information for the years ended March 31, 2024, 2023 and 2022. Also see, “**Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation**” beginning on page 16.*

*Only to the extent explicitly indicated, industry and market data used in this section has been derived from the report titled ‘Independent Market Report for Gem Aromatics’ dated December 26, 2024, prepared and issued by F&S (the “**F&S Report**”), commissioned by and paid for by our Company. The F&S Report has been prepared and issued by F&S for the purpose of understanding the industry exclusively in connection with the Offer. 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 fiscal or calendar year, refers to such information for the relevant fiscal or calendar year. For further details, see “– **Internal Risks – 51. Certain sections of this Draft Red Herring Prospectus disclose information from the F&S Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks**” on page 61 and the section titled “**Industry Overview**” beginning on page 143. Also see, “**Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation**” beginning on page 16.*

Unless the context otherwise requires, in this section, all references to “we”, “us”, or “our” refers to our Company and its Subsidiaries on a consolidated basis, while, all references to “the Company” or “our Company” refers to Gem Aromatics Limited on a standalone basis.

INTERNAL RISK FACTORS

- 1. We derive a significant portion of our revenue from our top 10 customers. In Fiscal 2024, we derived 52.19% of our total revenue from operations from our top 10 customers. The loss of any of these customers may adversely affect our revenues and profitability.***

We derived 52.19% of our total revenue from operations from the sale of our products to our top 10 customers in Fiscal 2024. The table below sets forth the revenue derived from our top 10 customers, for the periods indicated:

Particulars of the top 10 customers*^	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
Customer 1	219.11	10.69	854.57	18.89	860.97	20.27	492.51	15.67
Customer 2	210.74	10.29	323.05	7.14	325.11	7.65	364.65	11.60
Customer 3	185.54	9.06	230.54	5.10	307.22	7.23	345.78	11.00
Customer 4	166.30	8.12	154.29	3.41	282.83	6.66	175.85	5.59
Customer 5	84.60	4.13	151.96	3.36	232.91	5.48	138.38	4.40
Customer 6	69.70	3.40	147.70	3.26	231.47	5.45	130.30	4.15
Customer 7	59.09	2.88	134.34	2.97	165.18	3.89	125.61	4.00
Customer 8	54.09	2.64	130.17	2.88	147.88	3.48	117.46	3.74
Customer 9	53.75	2.62	124.35	2.75	121.59	2.86	113.64	3.62
Customer 10	51.87	2.53	109.77	2.43	120.68	2.84	106.03	3.37
Total	1,154.79	56.36	2,360.74	52.19	2,795.84	65.81	2,110.21	67.14

*Our top 10 customers include Colgate Palmolive (India) Limited, dōTERRA Global Limited and Ventos Do Brasil LTDA; names of other customers have not been included in the above table because consents for disclosure of such customer names were not available.

^ Top 10 customer have been included in each year / period independently.

We cannot assure you that we will be able to maintain historic levels of business from our top 10 customers, or that we will be able to significantly reduce client concentration in the future.

The loss of all or a significant portion of sales to any of our top 10 customers, for any reason (including the loss of contracts or inability to negotiate favourable terms, failure to meet their quality specification, technological changes, a decline in market share of these customers in their respective industries or high growth segments, disputes with these customers, adverse changes in their financial condition, insolvency or bankruptcy of these customers, decrease in their sales, facility closures, any action undertaken by the government affecting business of these customers, or labour strikes affecting their production), could have an adverse impact on our business, financial condition, results of operations, and cash flows.

While we have not encountered any loss of our top 10 customers in the six month period ended September 30, 2024 and in the past three Fiscals, there can be no assurance that we would not lose any of our top 10 customers in the future due to the reasons as mentioned above. Any loss of our customer for which we are a significant supplier could lead to cancellation of orders or loss of business and consequently reduce our sales and affect our estimates of anticipated sales, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

- We derive a significant portion of our revenue from our top customer dōTERRA Global Limited (formerly known as dōTERRA GH Ireland Limited) (“dōTERRA”) with whom we have entered into a supply agreement, the term of which is ending on December 31, 2028. If dōTERRA chooses not to source their requirements from us, there may be a material adverse effect on our business, financial condition, cash flows and results of operations.***

We derive a significant portion of our revenue from our top customer dōTERRA. During the six month period ended September 30, 2024 and the past three Fiscals, our Company has supplied 18 products to dōTERRA. The table below sets forth the revenue derived from dōTERRA, for the periods indicated:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
dōTERRA	1.54*	0.07	854.57	18.89	860.97	20.27	492.51	15.67

*The sale of products to dōTERRA are realized in the second half of each Fiscal.

As on date of this Draft Red Herring Prospectus, we have a valid supply agreement dated April 11, 2019 entered into amongst our Company and dōTERRA (“**Supply Agreement**”) and an addendum to the Supply Agreement dated November 4, 2023 (“**Addendum to Supply Agreement**”). During the six month period ended September 30, 2024 and the past three Fiscals, we have supplied 18 products to dōTERRA, basis the provisions of the Supply Agreement. Further, the provisions of the Supply Agreement, ascertain annual minimum quantities for the sale of our products to dōTERRA and provide standard liability clauses in relation to quality and delivery of our products. For further details of the Supply Agreement and the Addendum to Supply Agreement, see “*History and Certain Corporate Matters – Summary of key material agreements*” on page 241.

Pursuant to the Addendum to Supply Agreement, dōTERRA shall purchase essential oils from our Company for a certain amount for calendar years 2024 and 2025 For the calendar years 2026, 2027 and 2028, the minimum purchase value or quantity shall be established through mutual agreement. If the minimum purchase value or quantity negotiated is not favourable to us, our business, financial condition, cash flows and results of operations may be impacted. Further, the Supply Agreement will expire on December 31, 2028. If the term of the Supply Agreement is not extended or is extended on terms unfavourable to us, our business, financial condition, cash flows and results of operations may be impacted.

3. ***We derive a substantial portion of our revenue from the mint and mint derivatives product category. In Fiscal 2024, we derived 72.89% of our revenue from operations from the mint and mint derivatives product category. Any reduction in demand for products under the mint and mint derivatives product category may adversely affect our revenues and profitability.***

We rely substantially on revenue generated from the sale of mint and mint derivatives product category.

The table below sets out the revenues generated from sale of our key product categories and as a percentage of our revenue from operations:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
Mint and mint derivatives	1,408.79	68.76	3,297.90	72.89	2,972.56	69.98	2,385.50	75.89
Clove and clove derivatives	445.59	21.75	683.02	15.10	640.92	15.09	315.38	10.03
Phenol	22.44	1.10	17.54	0.39	1.58	0.04	0.06	0.00
Other synthetic and natural ingredients*	133.70	6.53	471.83	10.43	577.76	13.60	411.01	13.08
Total[^]	2,010.52	98.14	4,470.29	98.81	4,192.82	98.71	3,111.95	99.00

* Including eucalyptus, eucalyptol, lemon grass, amongst others.

[^] Remaining percentage consists other operating revenues

Accordingly, our business depends substantially upon our ability to generate revenue from sale of products under the mint and mint derivatives product category. If the demand for usage of mint and mint derivatives product category is reduced, it may impact our revenues from operations and we may be unable to sustain our profitability.

While we have not experienced any decline in the sale of our products in the mint and mint derivatives product category in the six month period ended September 30, 2024 and the last three Fiscals, there is no assurance that we will not face any decline in the future.

Any failure to successfully manufacture and market mint and mint derivatives product category, whether on account of regulatory changes or changes in technologies, including creation of alternate technologies, could adversely affect our business, financial condition, cash flows and results of operations.

4. **Our Company is involved in an on-going litigation in the Supreme Court of India with respect to the land on which our Budaun Facility is located. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.**

As on the date of this Draft Red Herring Prospectus, our Company is involved in an on-going litigation where the State of Uttar Pradesh, Department of Finance and Revenue has filed a special leave petition before the Supreme Court of India (“SLP”) aggrieved by the order dated October 7, 2021 passed by the High Court of Allahabad allowing a writ petition filed by our Company, restraining the State of Uttar Pradesh, Department of Finance and Revenue from proceeding against our Company. The SLP is filed against our Company, M/s Kanha Vanaspati Limited and the State Bank of India in relation to recovery of alleged outstanding trade tax and entry tax under the U.P. Trade Tax Act, 1948 from M/s Kanha Vanaspati Limited amounting to ₹ 176.48 million. Budaun Facility Land was mortgaged by M/s Kanha Vanaspati Limited with the State Bank of India and in order to repay the dues of the State Bank of India, the Budaun Facility Land was sold by M/s Kanha Vanaspati Limited to our Company as a one-time settlement for ₹ 26.10 million in order to settle dues of the State Bank of India amounting to ₹ 328.90 million. The State of Uttar Pradesh, Department of Finance and Revenue in its SLP has alleged that the transaction is a sham transaction to defraud the revenue department. For further details, see “**Outstanding Litigation and Other Material Developments**” beginning on page 360.

The following tables set forth the annual installed capacity of the Budaun Facility for the product in the six month period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Product category	Fiscal/ Period											
	Six month period ended September 30, 2024			2024			2023			2022		
	Installed Capacity p.a. (in metric tonnes)*	Actual Production (in metric tonnes)	Capacity Utilisation (%)**	Installed Capacity p.a. (in metric tonnes)	Actual Production (in metric tonnes)	Capacity Utilisation (%)	Installed Capacity p.a. (in metric tonnes)	Actual Production (in metric tonnes)	Capacity Utilisation (%)	Installed Capacity p.a. (in metric tonnes)	Actual Production (in metric tonnes)	Capacity Utilisation (%)
Mint and mint derivatives	2,200.00	995.96	90.54	2,200.00	2,193.82	99.72	1,825.00	1,456.95	79.83	1,700.00	1,554.43	91.44
Clove and clove derivatives	400.00	128.20	64.10	400.00	229.22	57.31	400.00	154.29	38.57	300.00	93.23	31.08
Other synthetic and natural ingredients*	300.00	93.80	62.53	300.00	244.85	81.62	300.00	274.53	91.51	300.00	139.12	46.37
Phenol	300.00	26.84	17.89	300.00	14.19	4.73	300.00	1.12	0.37	300.00	0.05	0.02

As certified by Anjaria Enviro Tech Private Limited by way of certificate dated December 23, 2024.

* Installed capacities for the Period ended September 30 2024 is annualised.

**The capacity utilisation for the period ended September 30 2024 is annualised.

Any adverse judgment in the proceedings could have a direct adverse impact on the manufacturing activities undertaken by us at the Budaun Facility and in turn have an adverse impact on our business, financial condition, results of operations and future cash flows. We cannot provide any assurance that these legal proceedings will be decided in our favour. In addition, should any new developments arise, such as changes in Indian law or rulings against us by the court, we may need to make provisions in our financial statements, which could increase our expenses and current liabilities. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, results of operations, financial condition and cash flows could be adversely affected.

5. *One of the entities, Gopinath Dairy Products Private Limited, which is identified as a part of the Promoter Group under the SEBI ICDR Regulations is undergoing liquidation proceedings and accordingly has not provided any information in respect of itself. All information in relation to Gopinath Dairy Products Private Limited included in the DRHP is from publicly available sources. Further, Lallubhai Hargovindas Chitalia, Krishna Lallubhai Chitalia, Rajesh Lallubhai Chitalia, individual members of our Promoter Group, along with Gopinath Dairy Products Private Limited, have been identified as wilful defaulters in their capacity as directors and guarantor of Gopinath Dairy Products Private Limited.*

The State Bank of India (“SBI”) filed an application dated March 3, 2021, under Section 7 of the Insolvency and Bankruptcy Code, 2016, as amended (“**Insolvency Code**”), against Gopinath Dairy Products Private Limited (“**GDPPPL**”), one of the members of our Promoter Group for initiating corporate insolvency resolution process, as a result of the account of Gopinath Dairy Products Private Limited being declared a non-performing asset. Pursuant to the order dated February 9, 2023, the National Company Law Tribunal, Mumbai Bench (“**NCLT**”), had admitted the application made by SBI for initiating corporate insolvency resolution process against GDPPPL. The NCLT had passed a liquidation order dated June 25, 2024, against GDPPPL and had appointed a liquidator for conducting the liquidation proceedings and sale of GDPPPL as a going concern in accordance with the Insolvency Code. Subsequently, a preferred bidder was selected by way of an auction process and the liquidation proceedings are pending completion as of the date of this Draft Red Herring Prospectus (“**Liquidation Proceedings**”).

Our Company had filed an exemption application dated April 24, 2024, with SEBI, requesting for relaxation of the strict enforcement of the provisions of the SEBI ICDR Regulations with respect to identifying and disclosing, GDPPPL, a body corporate, as a member of our Promoter Group. By way of a letter dated July 29, 2024 (bearing reference number SEBI/HO/CFD/RAC-DIL1/P/OW/2023/24351), SEBI has rejected the Exemption Application and has decided not to grant exemption from including/ disclosing GDPPPL as a member of the Promoter Group along with the relevant information as required under the SEBI ICDR Regulations.

Given that Gopinath Dairy Products Private Limited is unable to provide any information and affirmations as required under the SEBI ICDR Regulations, as member of the Promoter Group, our Company has included disclosures pertaining to the Gopinath Dairy Products Private Limited, member of our Promoter Group based on and limited only to the extent of information publicly available from the websites of certain government authorities and other public databases including the website of Gopinath Dairy Products Limited, in the section titled “**Our Promoters and Promoter Group**” beginning on page 263 of this Draft Red Herring Prospectus, in order to comply with the requirements of the SEBI ICDR Regulations. To such extent, the disclosures pertaining to the Gopinath Dairy Products Private Limited, as a member of the Promoter Group of our Company included in this Draft Red Herring Prospectus may be limited in the context of requirements of the SEBI ICDR Regulations. For further details, see “**Summary of the Offer Document - Exemption from complying with any provisions of securities laws, if any, granted by the SEBI**” on page 27.

During the Liquidation Proceedings, SBI in its’ letters, each dated September 27, 2023, had intimated GDPPPL, Lallubhai Hargovindas Chitalia, Krishna Lallubhai Chitalia, Rajesh Lallubhai Chitalia, members of our Promoter Group, about the order dated August 22, 2023, passed by the Review Committee for Identification of Wilful Defaulter/Non Co-operative Borrowers of SBI (“**RCIWD**”) categorizing GDPPPL as a wilful defaulter (“**RCIWD Order**”). Lallubhai Hargovindas Chitalia, Rajesh Lallubhai Chitalia, the directors of GDPPPL and Krishna Lallubhai Chitalia, a guarantor of GDPPPL, were also categorized as wilful defaulters as per the RCIWD Order in their capacities of directors and guarantor, as stated.

Subsequently, a writ petition dated October 8, 2023 (“**Writ Petition**”) was filed by Lallubhai Hargovindas Chitalia, Rajesh Lallubhai Chitalia and Krishna Lallubhai Chitalia, among others, at the High Court of Judicature at Bombay for granting stay, effect, operation and implementation of the RCIWD Order and restraining SBI from including the names of Lallubhai Hargovindas Chitalia, Rajesh Lallubhai Chitalia and Krishna Lallubhai Chitalia, among others, in the list of wilful defaulters maintained by credit information companies. The writ petition is currently pending as of the date of this Draft Red Herring Prospectus.

Lallubhai Hargovindas Chitalia, Rajesh Lallubhai Chitalia and Krishna Lallubhai Chitalia have only been categorised as a wilful defaulter due to their roles as directors and guarantor of GDPPPL as stated above. Since, Lallubhai Hargovindas Chitalia, Rajesh Lallubhai Chitalia and Krishna Lallubhai Chitalia, are neither our promoters nor directors of our Company, their names being categorised as a wilful defaulter along with

GDPPL does not affect the eligibility of our Company to undertake the proposed Offer in accordance with the SEBI ICDR Regulations. Additionally, our Company has never been associated with GDPPL in any other capacity and the association of Lallubhai Hargovindas Chitalia, Rajesh Lallubhai Chitalia and Krishna Lallubhai Chitalia is only to the extent of them being immediate relatives of one of our Promoters, Kaksha Vipul Parekh.

6. ***We have not entered into any long-term contracts with our suppliers from whom we procure raw materials consumed by us for our manufacturing process and failure by our suppliers to meet their obligations could adversely affect our business, results of operations, financial condition and cash flows.***

We typically source such raw materials on a purchase order basis.

Timely procurement of raw materials as well as the quality and the price at which they are procured, play an important role in the successful operation of our business. The following tables set forth the Cost of material consumed for the six months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total expenses	Amount (₹ in million)	% of total expenses	Amount (₹ in million)	% of total expenses	Amount (₹ in million)	% of total expenses
Cost of material consumed	1,659.61	91.54	3,444.24	89.08	3,165.12	85.77	2,717.60	99.69

In the absence of long-term contracts, we cannot assure you that we will be able to continue to obtain adequate or continuous supplies of our raw materials, in a timely manner or at all, in the future. 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 at competitive prices or at all, may have an adverse effect on our ability to manufacture our products in a timely or cost effective manner. While we have not experienced any interruptions in the supply of raw materials in the six month period ended September 30, 2024 and in the past three Fiscals, we cannot assure you that such instance will not arise in the future.

We may also be required to replace a supplier if its products do not meet our quality standards or if a supplier unexpectedly discontinues operations due to reasons beyond its or our control, including financing constraints caused by credit market conditions. This dependence on third party suppliers may also adversely affect the availability of key materials at reasonable prices thus affecting our margins and may have an adverse effect on our business, results of operations and financial condition.

7. ***We do not have firm commitment agreements with majority of our customers. If our customers choose not to source their requirements from us, there may be a material adverse effect on our business, financial condition, cash flows and results of operations.***

A majority of our arrangement with our customers are based on undertaking work on an on-going purchase order basis, wherein a customer issues an order on us for the desired quantity and pricing. Accordingly, there is no assurance that our customers, including long term customers, will continue to source products from us. As of March 31, 2024, we have long standing relationships with our top five, top 10 and top 15 customers as set out below:

Particulars	1-5 years	5-10 years	More than 10 years
Top five	1	1	3
Top 10	5	2	3
Top 15	9	3	3

In the absence of committed volumes or prices, our ability to predict demand for our products and therefore, accurately plan raw material supplies and production schedules is limited. Further, change in the product mix for orders placed by our customers may also substantially impact our margins and production schedules. Further, for a large part of our product range, we are not the exclusive supplier to our customers and our competitors may also be supplying their products to our customers. The absence of long-term arrangements, or arrangements with firm commitments of quantities with from our customers' and the possibility of rapid changes in demand for their products affect our ability to accurately estimate their future requirements.

Our customers may also cancel, change or delay production quantities and schedules for a number of reasons beyond our control. Our customer's expectations can also change rapidly, requiring us to take on additional commitments or risks and we cannot assure you that we will be able to meet such expectations while maintaining our margins and our ability to maintain business with such customers. While we have not encountered any loss of major customers in the six month period ended September 30, 2024 and in the past three Fiscals, there can be no assurance that we would not lose any of our major customers in the future. Cancellations, reductions or delays by a significant customer, or by a group of customers, could have an adverse effect on our business, results of operations, financial condition and cash flows.

8. We have significance dependence on our top 10 suppliers for supply of raw materials. In Fiscal 2024, our top 10 suppliers contributed towards 68.61% of our total expenses. The loss of any of these suppliers or and failure by these suppliers to meet their obligations may adversely affect our revenues and profitability.

We have significance dependence on our top 10 suppliers for supply of raw materials, with whom we do not have long-term contracts for the purchase of raw materials. In Fiscal 2024, our top 10 suppliers contributed towards 68.61% of our total expenses. The table below sets forth the contributions towards our top 10 suppliers, for the periods indicated:

Particulars*	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense
Supplier 1	360.49	19.88	884.70	22.88	406.55	11.02	360.96	13.24
Supplier 2	170.15	9.39	457.24	11.83	394.41	10.69	210.25	7.71
Supplier 3	165.84	9.15	374.34	9.68	236.93	6.42	193.31	7.09
Supplier 4	132.42	7.30	211.59	5.47	196.54	5.33	175.39	6.43
Supplier 5	86.22	4.76	179.68	4.65	165.92	4.50	174.14	6.39
Supplier 6	73.98	4.08	171.76	4.44	112.98	3.06	126.87	4.65
Supplier 7	69.21	3.82	138.23	3.58	110.86	3.00	116.55	4.28
Supplier 8	67.82	3.74	83.30	2.15	101.07	2.74	113.85	4.18
Supplier 9	58.70	3.24	80.47	2.08	94.56	2.56	89.72	3.29
Supplier 10	56.00	3.09	71.39	1.85	89.85	2.44	83.41	3.06
Total	1,240.83	68.45	2,652.70	68.61	1,909.67	51.76	1,644.45	60.32

*Names of suppliers have not been included in the above table because consents for disclosure of such suppliers names were not available.

The loss of all or a significant number of our top 10 suppliers, for any reason (including the inability to negotiate favourable terms, failure to meet our quality specification, disputes with these suppliers, adverse changes in their financial condition, insolvency or bankruptcy of these suppliers, any action undertaken by the government affecting business of these suppliers, or labour strikes affecting their production), could have an adverse impact our business, financial condition, results of operations, and cash flows.

While we have not encountered any loss of our top 10 suppliers in the six month period ended September 30, 2024 and in the past three Fiscals, there can be no assurance that we would not lose any of our major suppliers in the future due to the reasons as mentioned above. Any loss of our suppliers could have an adverse effect on our business, results of operations, financial condition and cash flows.

9. Increase in costs of raw materials, may impact our revenue from operations and profitability and may result in a materially adverse effect on our business, results of operations and financial condition.

The primary raw materials that we use to manufacture our products are mentha arvensis, L menthol, eugenol, DMO crude, crude clove leaf oil, and lemon grass oil. We also procure and use ancillary raw materials such as other essential oil and petrochemicals.

We depend on third parties for the supply of raw materials using in production process and do not have exclusive arrangements with such suppliers and therefore are exposed to volatility in the prices of the raw materials due to a number of factors beyond our control.

The table below sets forth the cost of raw materials consumed, including as a percentage of our total expense for the periods stated:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense
L menthol	494.18	27.26	1,301.65	33.67	387.43	10.50	317.53	11.65
Crude clove leaf oil Madagascar 80-82%	266.35	14.69	484.34	12.53	410.88	11.13	215.31	7.90
DMO crude	228.55	12.61	414.54	10.72	342.80	9.29	620.95	22.78
Eugenol	96.78	5.34	144.38	3.73	191.37	5.19	88.18	3.23
Mentha arvensis	76.27	4.21	244.03	6.31	279.77	7.58	387.48	14.21
Others*	497.48	27.44	855.30	22.12	1,552.87	42.08	1,088.15	39.92
Total	1,659.61	91.55	3,444.24	89.08	3,165.12	85.77	2,717.60	99.69

*Others includes lemon grass oil, turmeric oil, pomegranate seed oil.

Prices are negotiated for each purchase order and we generally have more than one supplier for each component or raw material. The terms and conditions including the return policy are set forth in the purchase orders. Inflationary factors such as increase in the costs of raw materials used in our operations and our inability to pass fluctuations in raw material and/ or packing material prices on to our customers and/ or any gap in time to revise prices to pass on increased costs in the future could adversely affect our business, results of operations and financial condition. Further, our suppliers may enter into exclusive arrangements with our competitors or other non-competing companies and we may be unable to obtain alternative sources for our raw materials, components and stock-in-trade at commercially reasonable prices, or at all, or enter into alternative arrangements with other manufacturing partners. While we have not encountered problems with availability in the six month period ended September 30, 2024 and in the past three Fiscals, there can be no assurance that we would not lose any of our major suppliers in the future.

Please see, “– 6. *We have not entered into any long-term contracts with our suppliers from whom we procure raw materials consumed by us for our manufacturing process and failure by our suppliers to meet their obligations could adversely affect our business, results of operations, financial condition and cash flows.*” on page 34.

10. Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business, cash flows and results of operations.

We currently rely on imported raw materials, such as, crude clove oil for a portion of our raw material requirements. The table below sets forth details relating to cost of imported raw material as a percentage of our total cost of materials consumed in the six month period ended September 30, 2024 and the Fiscal 2024, 2023 and 2022:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total cost of materials consumed	Amount (₹ in million)	% of total cost of materials consumed	Amount (₹ in million)	% of total cost of materials consumed	Amount (₹ in million)	% of total cost of materials consumed
Cost of raw material imported	756.64	45.59	1,446.56	42.00	1,059.05	33.46	469.11	17.26

The import of certain of our raw materials is regulated by the various regulatory requirements, including those under the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989, as amended, which empowers the relevant authority to undertake any measures that it deems fit, particularly in relation to chemicals proposed to be imported that may result in industrial accidents. Such measures include denying approval for import of such chemicals. While we have not encountered disturbance/ problems in import raw materials from other jurisdictions in the six month period ended September 30, 2024 and in the past three

Fiscals, there can be no assurance that such regulations will not become more stringent in the future, which could potentially restrict our ability to import raw materials from other jurisdictions.

While raw materials that we import from other jurisdictions are not currently subject to any regulatory ban or restriction, there can be no assurance that such regulations will not evolve into more stringent regulations, which would place onerous requirements on us and consequently restrict our ability to import raw materials. There can also be no assurance that, under these circumstances, we will be successful in identifying alternate suppliers for such raw materials or we will be able to source such raw materials at favourable terms in a timely manner. While we have not in the past experienced any significant challenge in importing requisite raw materials, there can be no assurance that we will not experience any such challenges in the future.

11. We derive a significant portion of our revenue from operations from a limited number of geographies.

We are heavily focused on the domestic Indian market and have historically derived a substantial portion of our revenue from India. As a result, our total revenue from operations is dependent on prevailing political, economic and regulatory conditions in India. For further details, also see “– *External Risk Factors – 58. We are subject to risks relating to the economic, political, regulatory, legal or social environments of the countries in which we operate, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.*” on page 64.

The table below sets forth our revenues from these countries, in absolute terms and as a percentage of our total revenue from operations for the period indicated:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operatio ns	Amount (₹ in million)	% of revenue from operatio ns	Amount (₹ in million)	% of revenue from operatio ns	Amount (₹ in million)	% of revenue from operatio ns
India	1,156.22	56.43	2,228.43	49.25	1,529.49	36.01	1,274.36	40.54
USA	451.57	22.04	1,487.08	32.87	1,768.31	41.63	1,003.30	31.92
China	54.23	2.65	216.65	4.79	233.36	5.49	364.12	11.58
Brazil	210.68	10.28	212.94	4.71	135.34	3.19	114.17	3.63
Singapore	0.45	0.02	40.52	0.90	148.32	3.49	35.65	1.13
Rest of the world*	137.37	6.70	284.67	6.29	378.00	8.90	320.35	10.19
Total	2,010.52	98.12	4,470.29	98.81	4,192.82	98.71	3,111.95	98.99

*Rest of the world includes France, Thailand, Spain, Germany and United Kingdom.

Our revenues from these markets may decline as a result of increased competition, pricing pressures or fluctuations in the demand for or supply of our products. Our failure to effectively react to these situations could adversely affect our business, prospects, results of operations and financial condition. While we have not encountered reduction in sales to any particular geographical location in the six month period ended September 30, 2024 and in the past three Fiscals, there can be no assurance that we would not encounter such instances in the future. Furthermore, our overseas operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with overseas operations in general. These risks include complying with changes in foreign laws, regulations and policies relating to foreign trade and investment, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues. Further, increased trade controls or sanctions as a result of political or economic conflicts including, among others, economic disruption may also affect our ability to market or sell our products, in the relevant country. If we are unable to effectively address or comply with changes in foreign laws, or meet the conditions stipulated in our certificates granted by the relevant foreign regulatory agencies, we may be subject to penalties and other regulatory actions, which could adversely affect our reputation, business, prospects, result of operations and financial condition.

12. Our Company has applied for registration of the trademark in relation to our Company’s logo which is objected. Until such registration is granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill and adversely affect our business. An inability to protect, strengthen and enhance our existing brand for our products could adversely affect our business prospects and financial performance.

We have made various trademark registrations applications under various classes, with the Registrar of Trademarks in India under the Trade Marks Act, 1999. Amongst which is an application for our Company's



logo, “ ” which is currently objected. There can be no assurance that our trademark applications will be accepted and the trademarks will be registered. Pending the registration of these trademarks, we may have a lesser recourse to initiate legal proceedings to protect our private labels. However, we may have to incur additional cost in relation to this. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of any of our trademarks for which we have applied for registration, we may not be able to avail the legal protection or prevent unauthorised use of such trademarks by third parties, which may adversely affect our goodwill and business.

Our business reputation and brand under which we sell our products, 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 and distributors; 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.

13. *Some of the raw materials used in our production processes are natural resources and therefore we are subject to the seasonality and risk of depletion of such natural resources.*

Some of the raw materials used in our production processes such as mentha arvensis, mentha piperita, crude clove leaf oil and lemon grass oil are natural resources which are seasonal and depleting in nature.

As mint is a seasonal crop, our utilization rates vary significantly throughout the year. We typically process a substantial quantity of mint between June to March, with the peak months being from mid-June to mid-March. Our utilization rates are typically significantly lower between April and July. As a result of these seasonal fluctuations, our sales and operational results for the seasonal product categories in different quarters within a single fiscal year vary and sales and operational results may not be relied upon as indicators of sales or operational results of other fiscal quarters or of our future performance. Our inability to manage seasonal variations effectively may have an adverse effect on our business and financial condition.

Since our key raw materials used in the production of our products are natural resources, we are subject to the risk of shortage or non-availability of such raw materials due to various factors which are beyond our control. Additionally, due to such shortage or non-availability, we are also subject to volatility in prices of our natural raw materials. While we have faced certain shortages/ non-availability of natural raw materials in the ordinary course of business, there have been no significant shortages/ non-availability of natural raw materials in the six month period ended September 30, 2024 and the Fiscals 2024, 2023 and 2022. However, any future shortages or non-availability of mentha arvensis, mentha piperita, crude clove leaf oil and/or lemon grass oil will also impact our production process and thereby will have a material adverse impact on our business, results of operations and financial condition.

14. *We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business and operate our Manufacturing Facilities and our R&D Facility, which could have an adverse effect on our business, results of operations, financial condition and cash flows.*

We require certain statutory and regulatory permits, licenses and approvals to operate our business, such as consents to operate from the state pollution control boards (where our Manufacturing Facilities and our R&D Facility are located), registration and licenses (including the factory license) issued under the Factories Act for our Manufacturing Facilities, registration certificates issued under various labour laws as well as various taxation related registrations, such as registrations for payment of GST, professional taxes and service taxes. For further details, see “*Government and Other Approvals*” beginning on page 365. Our Company has filed

an application dated December 23, 2024, for renewal of the no-objection certificate from the Department of Fire and Emergency Services, U.T. Administration of Dadra & Nagar Haveli and Diu & Daman for the Silvassa facility. Our licenses, permits and approvals impose certain terms and conditions that require us to incur significant costs and restrict certain of our business activities. We cannot assure you that our approvals, licenses, permits and registrations may not be revoked or suspended in the event of any non-compliance with any terms or conditions set forth thereof.

In the future, we will be required to regularly renew permits, licenses and approvals for our business, and to obtain new permits, licenses and approvals for any proposed expansion. While we will endeavour to renew or obtain such permits, licenses and approvals as required, we cannot assure you that the relevant authorities will issue any such approvals within our anticipated timeframe or at all.

Further, we cannot assure you that the legal framework, licensing and other regulatory requirements or enforcement trends in the industries and jurisdictions in which we operate will not further change in a manner that makes it more costly or difficult to renew or obtain the statutory and regulatory permits, licenses and approvals we require to operate our business, or that we will be successful in responding to such changes. Moreover, as we grow our business, the requirements for obtaining new licenses, approvals and authorisations will also increase. If we lose or are otherwise unable to maintain any of our required licenses, registrations, permits and approvals under the applicable laws and regulations, our business operations may be adversely affected which in turn could have an adverse effect on our results of operations, financial condition and cash flows. While we have not faced any such penalties under applicable laws in the six month period ended September 30, 2024 and the past three Fiscals, we cannot assure you that such penalties would not be imposed on us in the event of non-compliance or alleged non-compliance with any of the terms or conditions thereof, or pursuant to any regulatory action in the future.

15. Our Subsidiary, Krystal Ingredients Private Limited has incurred losses in the past and has negative net worth as of September 30, 2024 and may not be able to achieve or maintain profitability in the future.

Our Subsidiary, Krystal Ingredients Private Limited has incurred losses in the past and has negative net worth as of September 30, 2024. Details of the losses incurred by our Subsidiary, Krystal Ingredients Private Limited and the net worth, for the six months ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, are provided below:

<i>(in ₹ million)</i>				
Particulars	As of September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Profit/loss after tax	(14.42)	(19.58)	(8.05)	(6.57)
Net worth	(48.52)	(34.10)	(14.52)	(6.47)

While the net worth of Krystal Ingredients Private Limited is negative, our Company has extended unsecured loan to our Subsidiary Krystal Ingredients Private Limited. The lender to Krystal Ingredients Private Limited has stipulated that without prior written approval of the lender, the borrower shall not repay any principal or interest on any other loans.

Further, our Company proposes to repay certain borrowings of our Subsidiary, Krystal Ingredients Private Limited. For details, see “*Objects of the Offer - Details of objects of the Offer to be funded from Fresh Issue proceeds - Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiary, Krystal Ingredients Private Limited*” on page 110. Our financial performance may continue to be affected by various factors including, fluctuations in market demand, competitive pressure and potential increase in operational costs. If we are unable to effectively manage these challenges, we may incur additional losses in future. Further, our failure to achieve or maintain profitability or ensure positive net worth, may adversely restrict our cash flows and ability to pay dividends and impair our ability to raise capital and expand our business.

16. We are subject to strict quality requirements and any failure by us to comply with quality standards could adversely affect our business, results of operations, cash flows and financial condition.

We are engaged in the manufacturing and supply of products which are required to meet precise and specific requirements including in terms of quality, composition and packaging. Failure by us to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products sufficient to meet our customers’ demands, lead to the cancellation of existing and future orders, result in us conducting

product recalls and liability claims, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our agreements with customers or purchase orders issued by them, have standard liability clauses in relation to quality and delivery of our products, which ordinarily do not have any limits. We may also be subject to liability claims by third parties in the event that the use of any of our products results in personal injury or property damage, which could adversely affect our reputation and business and, to the extent not covered by insurance, our results of operations, financial condition and cash flows. While we have not faced certain product liability claims in the six month period ended September 30, 2024 and the Fiscals 2024, 2023 and 2022, however, we cannot guarantee that no product liability claim will arise in the future.

We have received a number of quality assurance certifications and accreditations which are critical to our operations and continued supply relationships with our customers. For instance, for Unit II of our Budaun Facility, we have obtained ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and 22000 FSSC 22000 (version 6) consisting of ISO 22000:2018, ISO/Ts 22002-1:2009 and Additional FSSC 22000 requirements (version 6). We have also obtained a certification of Good Manufacturing Practice for our Budaun Facility and FSSAI registrations for our Manufacturing Facilities, as well as relevant Kosher and Halal certifications for certain specified products. If we are unable to renew these accreditations, our brand and reputation could be adversely affected. Any significant damage to our reputation and/or brand caused by being denied such accreditations and certifications could have a material adverse effect on our ability to attract new and repeat customers and, as a result, adversely affect our business, financial condition, results of operations or prospects.

17. *If we are unable to continue to develop innovative products, identify and understand evolving industry trends and preferences to develop new products to meet our customers' demands and if we do not successfully develop or commercialize new products in a timely manner, or if the products that we commercialize do not perform as expected and counter the challenges that the industry faces could adversely affect our business, results of operations, financial condition and cash flows.*

In recent years, fragranced personal care, laundry care, and household care products have seen a meteoric surge in demand, which has had a significant knock-on effect on the resulting demand for fragrances. (Source: *F&S Report*) India has been attracting many global manufacturing companies to produce perfumes, soap & detergents and home care products due to the economic advantage and huge demand within. (Source: *F&S Report*)

We expect to continue to dedicate financial and other resources to our product development efforts in order to maintain our competitive position. Investing in product development, including developing new products and enhancing existing products, is expensive and time consuming, and we cannot assure you that such activities will result in significant new marketable products or enhancements to our products, cost savings, revenues or other expected benefits. In this regard, we undertake R&D activities at our dedicated R&D Facility located at in Maharashtra. For further details see, “*Our Business – Our Operations – R&D Facility*” on page 223.

The commercialization process requires us to successfully develop, manufacture and distribute our products, while complying with applicable regulatory and safety standards in each jurisdiction where we operate. Further, developing and commercializing a new product is subject to numerous factors, including the ability to (i) develop new products in a timely manner in compliance with regulatory requirements, (ii) correctly anticipate customer needs, delays or unanticipated costs, and (iii) scale up manufacturing to successfully manufacture commercial quantities of products in compliance with regulatory requirements. Due to any of these factors, it may take an extended period of time for our new products to gain market acceptance, if at all. The table below sets out our expenditure on R&D activities for the periods as indicated:

Particulars	For the six month period ended September 30, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense
R&D expenditure	7.57	0.42	17.99	0.47	8.26	0.22	0.21	0.01

Our investments in new product launches and R&D for future products could result in higher costs without a proportionate increase in revenues, which may have an adverse effect on our business, financial condition, cash flows and results of operations. We cannot assure you that we will be able to introduce new products or that our products would gain customer acceptance or that we will be able to successfully compete in such new product segments. Changes in consumer preferences, regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in trends and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. Our success depends on our ability to identify, originate and define product and market trends, both on a pan-India and global level, as well as to anticipate, gauge and react to changing consumer demands in a timely manner. Our products must also appeal to a broad range of customers whose preferences may vary significantly and cannot be predicted with certainty. While we have not faced any such instance in the six month period ended September 30, 2024 and in the past three Fiscals, there can be no assurance that we would not face such an instance in the future. We cannot assure you that the demand for our products with end-consumers will continue to grow or that we will be able to continue to develop appealing products or meet rapidly changing consumer demands in the future, misjudging the market for our products or failing to anticipate a shift in the consumer preferences could adversely affect our business and financial condition.

18. If we are unable to accurately forecast demand for our products and plan production schedules in advance, our business, cash flows, financial condition, results of operations, and prospects could be adversely affected.

Our inability to accurately forecast the level of customer demand for our products as well as our inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations. Our customers provide us specific open purchase orders which only specify the quantity and pricing. Our customers do not provide a firm commitment for any specific product quantity and purchase orders may be amended or cancelled prior to finalization, as a result of which, we do not hold a significant order book at any time, making it difficult for us to forecast revenue, production or sales and plan our inventory in advance.

Our inventory days are given below:

Particulars	Six month ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Inventory Days	223	170	159	176

Actual production volumes may vary from these estimates due to variations in end consumer demand for our customers' products leading to either underutilized capacity or incurring additional expenditure to deploy additional resources to meet expedited delivery timelines. Any material mismatch between our forecast and actual sales could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation. While we have not faced any instance where there has been a material mismatch between our forecast and actual sales in the six month period ended September 30, 2024 and in the past three Fiscals, there can be no assurance that we would not face such an instance in the future. Stock of inventory may also be impacted by disruptions faced in the transportation of our products or other adverse developments in the process. While we have not faced any disruptions in the transportation of our products in the six month period ended September 30, 2024 and in the past three Fiscals, there can be no assurance that we would not face such an instance in the future.

Although we monitor our daily sales to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we over-stock inventory, our working capital requirements will increase, and we will incur additional financing costs. Many of our operating expenses are relatively fixed, an unanticipated change in customer demand may adversely affect our liquidity and financial condition. We typically commit to order raw materials and bought-out components from our own suppliers based on customer forecasts and orders. Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. For further details, please see “– **Internal Risk Factors – 24. We have substantial working capital requirements and capital expenditure and may require**

additional capital to meet those requirements, which could have an adverse effect on our business, results of operations, financial condition and cash flows.” on page 45.

19. *Any disruptions or shutdown of our Manufacturing Facilities and R&D Facility which could interrupt our operations, which in turn may adversely impact our results of operations.*

As on date of this Draft Red Herring Prospectus, we operate three Manufacturing Facilities located in Uttar Pradesh, Dadra and Nagar Haveli and Daman and Diu and Gujarat. Our Company also has a dedicated in-house R&D Facility in Maharashtra, which is a fully equipped synthetic research laboratory with state-of-the-art machinery as well as a pilot plant with all the facilities and equipment needed for a simple scale-up procedure. For further details, see “***Our Business – Our Operations – Manufacturing Facilities***” and “***Our Business – Our Operations – R&D Facility***” on pages 221 and 223, respectively.

Our business is dependent upon our ability to effectively operate our Manufacturing Facilities and our R&D Facility, which are subject to various operating risks, including productivity of our workforce, labour disputes, shortage of workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment, disruption in electric power or water resources, fire or industrial accidents and severe weather conditions and natural disasters. Any such events may cause an unplanned shutdown or temporary or sustained slowdown in our production or may require us to incur significant compliance or remediation costs, which we may not be able to completely or sufficiently or at all pass on to customers or recover through insurance in all events. While there has not been any instance where any of our Manufacturing Facilities and our R&D Facility was shut down in the six month period ended September 30, 2024 and in the past three Fiscals, we cannot assure you that such instance will not arise in the future.

Further, under-utilisation of our existing Manufacturing Facilities may arise due to various reasons such as changes in demand for our products and supply chain disruptions, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. For details relating to our installed capacity, actual production and capacity utilisation of our Manufacturing Facilities, see “***Our Business – Our Operations – Manufacturing Facilities – Installed Capacity and Capacity Utilisation***” on page 222.

Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could disrupt operations of our Manufacturing Facilities and our R&D Facility and may lead to an inability to comply with our customers’ requirements and result in us breaching our contractual obligations and may lead to loss of any of our customers or a significant reduction in demand from such customers.

Further, certain of our key customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products. Any interruptions in our ability to provide a continuous and timely supply of our products may lead to termination of relationships of certain of our key customers with us or they may seek to impose penalties on us, or may initiate arbitration or legal proceedings against us, for stoppage in any of their supply on account of delayed delivery or a defect or deficiency in the products delivered by us.

20. *Our Manufacturing Facilities are subject to disruptions in or lack of basic infrastructure such as fuel and electricity, which could increase our manufacturing costs or interrupt our operations, which in turn may adversely impact our results of operations.*

As on date of this Draft Red Herring Prospectus, we operate three Manufacturing Facilities located in Uttar Pradesh, Dadra and Nagar Haveli and Daman and Diu and Gujarat. For further details, see “***Our Business – Our Operations – Manufacturing Facilities***” on page 221. Any disruptions at any or all of such Manufacturing Facilities would significantly impact our ability to manufacture certain products and may consequently delay production or require us to shut down our Manufacturing Facilities. We may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals such as any norms prescribed by pollution control authorities. While we have not encountered any instance of regulatory non-compliance or experienced lack of basic infrastructure such as fuel and electricity which required us to shut down our Manufacturing Facilities in the past three years, we cannot assure you that such instance will not arise in the future.

We require substantial power and fuel for our Manufacturing Facilities, and energy costs represent a significant portion of the production costs for our operations. The following tables set forth below our power and fuel expenses for the Fiscals/ periods indicated:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total expenses	Amount (₹ in million)	% of total expenses	Amount (₹ in million)	% of total expenses	Amount (₹ in million)	% of total expenses
Power and Fuel Expenses	14.73	0.81	37.34	0.97	30.65	0.83	31.27	1.15

If power or fuel costs were to rise, or if their supply arrangements were disrupted, our profitability could decline.

We primarily source most of our electricity requirements for our Manufacturing Facilities from solar panels installed within the premise of our Manufacturing Facilities and state electricity grids. We also have diesel generating sets and natural gas generator sets for standby supply. If there is any malfunction in our solar panel or supply is not available for any reason, we will need to rely on diesel generating sets and natural gas generator sets, which may not be able to consistently meet our requirements. The cost of electricity from diesel generating sets and natural gas generator sets could be significantly higher, thereby adversely affecting our cost of production and profitability. Further, if for any reason such electricity is not available or we are unable to switch to alternate power source in a short time, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production, the loss of production in progress and delays in delivery schedules.

21. We are dependent on third party transportation for the delivery of raw materials and finished products and any disruption in their operations or a decrease in the quality of their services could adversely affect our business and results of operations.

Our success depends on the smooth supply and transportation of the various raw materials required for our various Manufacturing Facilities and finished products to our customers, which is subject to various uncertainties and risks. We use third party transportation providers for the supply of most of our raw materials and finished products. Transportation strikes in the future could have an adverse effect on supplies from our suppliers. In addition, raw materials and finished products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. While we have not encountered any instance of loss or damaged of goods in transit in the past three years, we cannot assure you that such instance will not arise in the future. There may also be delay in delivery of raw materials and finished products which may also affect our business and results of operation negatively.

Additionally, if we lose one or more of our transportation providers, we may not be able to obtain terms as favourable as those we receive from the third party transportation providers that we currently use, which in turn would increase our costs and thereby adversely affect our operating results. While we have not encountered any such loss of one or more of our transportation providers in the six month period ended September 30, 2024 and in the past three Fiscals, we cannot assure you that such instance will not arise in the future.

In the past, we have faced certain damages/ losses toward our products during the transportation process. For instance, during the six month period ended September 30, 2024 and the Fiscals 2024, 2023 and 2022, we incurred damages/ losses worth ₹ 0.07 million, ₹ 0.23 million, ₹ 1.83 million and ₹ 0.06 million, respectively, due to transit damage and the entire insurance claim amounting to ₹ 2.19 million was recovered basis our insurance coverage. There can be no assurance that we will receive compensation for any such claims in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, results of operations and cash flows. For further details see, “– **Internal Risk Factors – 38. Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which may impact on our results of operations, financial condition and cash flows.**” on page 53.

Disruptions of transportation services because of weather-related problems, strikes, inadequacies in the road or rail infrastructure, or other events could impair the ability of the third-party transportation providers to deliver us the raw materials and our finished products to our customers in a timely manner or at all. As a result, in the event there is any disruption in the supply of our raw materials and our finished products, performance of our business, results of operations and cash flows may be adversely affected. 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.

22. Our overseas operations expose us to complex management, legal, tax and economic risks, which could adversely affect our business, financial condition, cash flows and results of operations.

Our revenue from operations outside India primarily includes sales in the United States, Singapore, China and Brazil. The table below sets forth our revenues from these countries, in absolute terms and as a percentage of our total revenue from operations for the period indicated:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
India	1,156.22	56.43	2,228.43	49.25	1,529.49	36.01	1,274.36	40.54
USA	451.57	22.04	1,487.08	32.87	1,768.31	41.63	1,003.30	31.92
China	54.23	2.65	216.65	4.79	233.36	5.49	364.12	11.58
Brazil	210.68	10.28	212.94	4.71	135.34	3.19	114.17	3.63
Singapore	0.45	0.02	40.52	0.90	148.32	3.49	35.65	1.13
Rest of the world*	137.37	6.70	284.67	6.29	378.00	8.90	320.35	10.19
Total	2,010.52	98.12	4,470.29	98.81	4,192.82	98.71	3,111.95	98.99

*Rest of the world includes France, Thailand, Spain, Germany and United Kingdom.

While we have incorporated a wholly owned Subsidiary in United States, we also rely on direct exports following various models including cost insurance and freight, cost and freight, free on board (origin or shipping), free on board (destination) etc. As a result, we are subject to risks related to our overseas expansion strategy, including those related to complying with a wide variety of local laws and restrictions on the import and export of certain intermediates, formulations and technologies, multiple tax and cost structures, and cultural and language factors. Further, increased trade controls or sanctions as a result of political or economic conflicts including, among others, the escalation of tensions between Russia and Ukraine, political unrest and/or economic disruption in Sri Lanka and Yemen, may also affect our ability to market or sell our products, or make product filings and registrations, in the relevant country.

Additionally, the accounting standards, tax laws and other fiscal regulations in the jurisdictions we operate in are subject to differing interpretations. Differing interpretations of tax and other laws and regulations may exist within various government ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. We may be less familiar with the interpretation of certain accounting and taxation standards and be exposed to risks as a result of non-compliance with such standards. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action by various government or tax authorities, may result in our tax risks being significantly higher than expected. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and may adversely affect our business, financial condition, cash flows and results of operations.

Further, we may face competition in other countries from companies that may have more experience with operations in such countries or with overseas operations generally. We may also face difficulties in integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture. If we do not effectively manage our overseas operations and the operations of our overseas subsidiaries, it may affect our profitability from such countries, which may adversely affect our business, financial condition, cash flows and results of operations.

23. We may not be successful in penetrating new export markets.

For the six month period ended September 30, 2024 and the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, we exported our products outside India in 13, 17, 16 and 15 countries, respectively.

The table below provides a geographic split of our revenue from operations from domestic sales and export sales, respectively, for the six month period ended September 30, 2024 and the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
India	1,156.22	56.43	2,228.43	49.25	1,529.49	36.01	1,274.36	40.54
USA	451.57	22.04	1,487.08	32.87	1,768.31	41.63	1,003.30	31.92
China	54.23	2.65	216.65	4.79	233.36	5.49	364.12	11.58
Brazil	210.68	10.28	212.94	4.71	135.34	3.19	114.17	3.63
Singapore	0.45	0.02	40.52	0.90	148.32	3.49	35.65	1.13
Rest of the world*	137.37	6.70	284.67	6.29	378.00	8.90	320.35	10.19
Total	2,010.52	98.12	4,470.29	98.81	4,192.82	98.71	3,111.95	98.99

*Rest of the world includes France, Thailand, Spain, Germany and United Kingdom.

While we intend to continue our focus on expanding our export sales, expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new markets, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. We believe establishing a presence in such international markets would facilitate our sales, marketing and business development activities and provide us with timely insights into the economic, product requirements and regulatory environment in such markets. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. In the eventuality we are unable to successfully expand into new geographical regions, our growth plans and future performance shall be adversely affected. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to expropriation or other government actions; and political, economic and social instability.

24. We have substantial working capital requirements and capital expenditure and may require additional capital to meet those requirements, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

We require a significant amount of working capital to finance the purchase of raw materials and the performance of manufacturing and other work before payment is received from clients. Set below is our working capital deployed for the six month period ended September 30, 2024 and in the Fiscals 2024, 2023 and 2022:

Particulars	(₹ in million)			
	Six month ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Working capital deployed*	1,547.21	1,667.22	1,289.12	1,014.77

*Current Assets Less Current Liabilities as per Restated Consolidated Financial Information

Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules for our customers or increased advance payments or shorter credit period from our suppliers. These factors may result, or have resulted, in increases in the amount of, our receivables, short-term borrowings and working capital funding. As on October 31, 2024, we had total outstanding borrowings of ₹ 1,535.83 million. For further details on our indebtedness including working capital facilities, see “**Financial Indebtedness**” beginning on page 357. Additionally, our inability to obtain

adequate amount of working capital at such terms which are favourable to us and in a timely manner or at all may also have an adverse effect on our financial condition.

We have expanded and upgraded our existing Manufacturing Facilities and our R&D Facility in the last three Fiscals and we intend to continue to expand our manufacturing capabilities in the future. Set below is our capital expenditure for the six month period ended September 30, 2024 and in the Fiscals 2024, 2023 and 2022:

Particulars	For the six month period ended September 30, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount (₹ in million)	% of the Gross property, plant and equipment* & Intangible Assets	Amount (₹ in million)	% of the Gross property, plant and equipment* & Intangible Assets	Amount (₹ in million)	% of the Gross property, plant and equipment* & Intangible Assets	Amount (₹ in million)	% of the Gross property, plant and equipment* & Intangible Assets
Capital expenditure	400.95	32.40	391.41	46.47	144.07	31.91	52.45	16.90

*Also includes capital work-in-progress.

To compete effectively, we need to develop and produce new products to meet our customers' demand, which requires a significant capital expenditure. We cannot assure you that we will be able to successfully convert these capital expenditures profitable in the future. Our sources of additional capital, required to meet our capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. Our ability to obtain external financing is subject to a variety of uncertainties and our loan agreements may contain restrictive operating and financial covenants that restrict our ability to incur additional indebtedness without the lenders' consent. Further, financing may not be available in a timely manner or in amounts or on terms acceptable to us, or at all. Further, our budgeted resources may prove insufficient to meet our requirements which could drain our internal accruals or compel us to raise additional capital. Any issuance of equity could result in a dilution of the shareholding. If we are required to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

25. There are outstanding legal proceedings involving us. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.

As on the date of this Draft Red Herring Prospectus, there are certain outstanding legal proceedings involving our Company, Subsidiaries, Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts and regulatory authorities. For further details, see "**Outstanding Litigation and Other Material Developments**" beginning on page 360.

Such proceedings could divert management time and attention and consume financial resources in their defence. Furthermore, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition, results of operations and future cash flows. We cannot provide any assurance that these legal proceedings will be decided in our favour. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries, our Directors, and our Promoters is provided below:

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigations [#]	Aggregate amount involved* (₹ in million)
Company						
By our Company	1	NA	NA	NA	Nil	Nil
Against our Company	Nil	17	1	NA	Nil	397.92
Subsidiaries						
By our Subsidiaries	Nil	NA	NA	NA	Nil	Nil
Against our Subsidiaries	Nil	Nil	Nil	NA	Nil	Nil
Directors						
By our Directors	1	NA	NA	NA	Nil	Nil
Against our Directors	Nil	5	Nil	NA	Nil	3.05
Promoters						
By our Promoters	1	Nil	NA	NA	Nil	Nil
Against our Promoters	Nil	5	Nil	Nil	Nil	3.05

* To the extent quantifiable.

In accordance with the Materiality Policy.

In addition, should any new developments arise, such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and current liabilities. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, results of operations, financial condition and cash flows could be adversely affected.

26. If we cannot execute our strategies to expand our manufacturing capacities, existing customer accounts and geographical footprint effectively, our business and prospects may be materially and adversely affected.

Our current strategies include expansion of manufacturing capacities, targeting new customers as well as expanding existing customer accounts. Such strategies could, in the future, include expansion to new markets with high entry barriers, regulatory or financial, and will thereby place significant demands on our management, operational and financial resources. For further details, please see “*Our Business – Our Growth Strategies*” on page 216.

Our ability to expand our business is subject to multiple risks and uncertainties including but not limited to: (i) inability to raise significant additional funds on reasonable terms or at all, (ii) delays and cost overruns in projects undertaken due to factors beyond our control, (iii) delays or denial of required approvals by relevant governmental authorities, (iv) inadequate infrastructure and logistics for the delivery of our products internationally, (v) inability to adapt our operational and management systems to an expanded distribution network, (vi) unforeseeable delays in market development of new products, and (vii) failure of third-parties to adhere to our specifications, quality standards and/ or timelines.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Our inability to manage and implement our strategy could have a material adverse effect on our business, financial condition and profitability. While we have not experienced any such instances in the past, we cannot assure you that we will not be subject to the aforementioned risks and uncertainties in the future.

27. We may fail to protect our intellectual property and are susceptible to litigation for infringement of intellectual property rights in relation to such designs. This could materially and adversely affect our reputation, results of operations and financial condition.

As on September 30, 2024, our Company has two registered trademarks in India. For further information, see “**Our Business – Intellectual Property**” on page 228. The use of our registered trademarks by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. We may not be able to prevent infringement of our registered trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. For instance, our Subsidiary, Gem Aromatics LLC, uses certain trademarks registered by our Company without an agreement.

If our trademarks or other intellectual property are improperly used, the value and reputation of our brand and sub-brands could be harmed. The measures we take to protect our intellectual property may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe upon our rights, which may have an adverse effect on our business, results of operations and financial condition. While we have not faced any instance in the six month period ended September 30, 2024 and the past three Fiscals, where we have failed to protect our intellectual property, however we cannot assure that such failure may take place in the future. Any such failure could materially and adversely affect our reputation, results of operations and financial condition.

28. *If we inadvertently infringe on the intellectual property rights of others, our business and results of operations may be adversely affected.*

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights, which may force us to alter our designs, obtain licences or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be subject to costly litigation or may be required to obtain a licence, modify our existing design or cease the use of such design and develop a new non-infringing design. Such licences or design modifications can be extremely costly. Further, necessary licences may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement. While we have not faced any instance in the six month period ended September 30, 2024 and the past three Fiscals, where we have inadvertently infringed intellectual property of others, however we cannot assure that such infringement may not take place in the future. Any of the foregoing could adversely affect our business, results of operations and financial condition.

In addition, in certain cases, our customers share their intellectual property rights in the course of the product development process that we carry out for them. We are bound by confidentiality obligations under our non-disclosure agreements with our customers to protect their intellectual property, including in relation to technical data such as product designs and drawings that may have been shared with us by our customers. An inadvertent breach or any misuse of intellectual property or proprietary data by any of our employees may expose us to expensive infringement claims and may diminish our goodwill and reputation among our customers, suppliers, lenders, investors and the public, making it difficult for us to operate our business and compete effectively.

29. *We operate in a competitive business environment. If we cannot respond adequately to the increased competition and consequent pricing pressures that we expect to face from existing players and new entrants, we will lose market share and our profits will decline, which will adversely affect our business, results of operations and financial condition.*

We operate in a competitive business environment. We face competition from both the organized and unorganised sectors of the flavours and fragrance industry and there are also several producers of varying size manufacturing certain of the products that we sell, in various geographical markets. Growing competition in the domestic and/or international markets may subject us to pricing pressures and require us to reduce the prices of our products in order to retain or attract customers, which may have an adverse effect on our revenues and margins. While we are focused on the development to broaden our product range, in the event our competitors harness better process technology or improved process yield or are able to source raw materials at more competitive prices, we may not be able to maintain our growth rate and our revenues and profitability may decline.

Some of our competitors may be increasing their capacities and targeting the same products as us. Some of our competitors may have larger technical and financial resources and broad customer bases needed to bring

competitive solutions to the market. Such companies may use these advantages to offer solutions that are perceived to be as effective or more effective as ours at the same or at a lower price. They may also develop different products to compete with our products and respond more effectively than we do to new or changing opportunities, applications, technologies, standards, or client requirements. Our competitors may also adopt competitive strategies for various products which may have a corresponding adverse impact on our revenues and margins. There can be no assurance that we can continue to effectively compete with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. Also, see “**Our Business – Competition**” on page 227.

- 30. We extend significant credit terms to our customers and are subject to counterparty credit risk. Any deterioration in such customers’ financial position and their ability to pay or our inability to extend credit in line with market practice may adversely impact business, results of operations, financial condition and cash flows.**

We are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations. Our operations involve extending credit to our customers in respect of our products.

Accordingly, we had and may continue to have high levels of outstanding receivables. The following table sets forth details of our credit cycle, as well as our trade receivables, for the periods as indicated:

Particular	For the six month period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
Trade Receivable Days	41	51	52	45
Trade Receivables (₹ in million)	443.41	453.30	796.36	395.07
% of the total revenue from operations	21.64	10.02	18.75	12.57

We cannot guarantee that we will be able to accurately assess the creditworthiness of our customers. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash flows could be adversely affected. We have experienced delays in collection of receivables for our products in the past and we cannot assure you that we will not experience any such delays in the future. If we experience delays in billing and collection for our products, our cash flows could be adversely affected.

While we have not encountered any significant delay in receiving payment or write offs in the six month period ended September 30, 2024 and in the past three Fiscals, we cannot assure you that such instance will not arise in the future. Any significant delay in receiving payment or non-receipt of payments from our customers may adversely affect our business, results of operations, financial condition and cash flows.

Also, see “– **Internal Risk Factors – 24. We have substantial working capital requirements and capital expenditure and may require additional capital to meet those requirements, which could have an adverse effect on our business, results of operations, financial condition and cash flows.**” on page 45.

- 31. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Further, our failure to keep our technical knowledge confidential could erode our competitive advantage.**

Our business is continually changing due to technological advances. These changes result in the frequent introduction of new products and significant price competition. If our products and technologies become obsolete for various factors, our business and results of operations could be adversely affected. Although we strive to maintain and upgrade our technologies, facilities and machinery consistent with current national and international standards, the technologies, facilities and machinery we currently use may become obsolete.

The cost of implementing new technologies and upgrading our Manufacturing Facilities and our R&D Facility could be significant, which could adversely affect our business, results of operations and financial condition. Any failure on our part to effectively address such situations, innovate and keep up with technological advancements or to successfully introduce new products in these areas, in a timely and cost-effective manner, could adversely affect our business, results of operations, financial condition and cash flows.

32. ***Certain of our immovable properties, including our Registered Office, our Manufacturing Facilities, and warehouses are licensed. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.***

Our Registered Office are on a leasehold basis from our Promoters, namely Vipul Parekh. While our Dahej Facility and our R&D Facility and certain of our warehouses are on leasehold basis from certain third parties. For details of our properties, see “***Our Business – Properties***” on page 228.

The table below sets forth the total amount of rent paid for all the licensed properties as a percentage of the total revenue from operations for the periods stated:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total expenses	Amount (₹ in million)	% of total expenses	Amount (₹ in million)	% of total expenses	Amount (₹ in million)	% of total expenses
Rent paid	3.58	0.20	6.78	0.18	5.01	0.14	4.39	0.16
Rent paid to related parties	2.50	0.14	4.86	0.13	4.56	0.12	4.34	0.16

Some of these properties are also leased from our related parties. For further details, see “***Our Business – Properties***” on page 228 and “***Restated Consolidated Financial Information***” beginning on page 270.

While we have, in the past, renewed our lease arrangements for our Manufacturing Facilities, warehouses and offices from time to time, if we are unable to renew certain or all of these leases on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from those locations in the future (and may, to that extent, need to revise our raw material sourcing, product manufacturing and raw material and product inventory schedules and/or incur significant costs to relocate or expand our operations elsewhere in order to continue to honour our commitments to our customers).

In the event that any lease agreement is not renewed, we will be required to expend time and financial resources to locate suitable land or premises to set up new manufacturing facilities, warehouses and offices, which may adversely affect our financial condition. Further, if the vacated property or premises is leased or sold to a competitor, we may also face increased competition in that geographic area which could adversely affect our market share and revenues.

33. ***We have had negative cash flows in the past and any negative cash flows in the future could adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.***

The following table sets forth certain information relating to our net cash flows on a consolidated basis for the Fiscals/ period indicated:

Particular	Six month ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
Net cash flows from/ (used in) operating activities	174.58	276.27	153.16	(52.03)
Net cash flows from/ (used in) investing activities	(392.35)	(383.75)	(143.58)	(140.14)

(₹ in million)

Particular	Six month ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
Net cash flows from/ (used in) financing activities	115.29	151.79	64.38	180.94

The net cash used in investing activities was primarily on account of purchase of property, plant and equipment and intangible assets, which was partially offset by sale of property, plant and equipment and interest income.

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 cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital resources - Cash*” on page 351.

34. Our contingent liabilities could adversely affect our financial condition if they materialise.

As at September 30, 2024, our contingent liabilities, as per Ind AS 37 – provisions, contingent liabilities and contingent assets, that have not been provided for are as set out in the table below:

(₹ in million)	
Particulars	As at September 30, 2024
Contingent liabilities	
Custom regulations	300.77
Income tax act	56.66
Goods and services tax act	40.49
Uttar Pradesh trade tax regime	176.48
MSMED act	0.55
Total	574.95

If any of these contingent liabilities materialises, our results of operations and financial condition may be adversely affected. See “*Restated Consolidated Financial Information*” beginning on page 270.

35. Failure to attract and retain skilled and qualified manpower or to effectively manage our growth could adversely affect our business, and increased employee compensation costs could adversely affect our financial condition. Our operations are labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

Our ability to provide high-quality products and to manage the complexity of our business depends, in part, on our ability to retain and attract skilled and qualified manpower in the areas of management, product design, manufacture, sales and information technology. Competition for such personnel is intense and the cost of retaining or replacing such personnel may affect our profitability. In addition, our strategies for growth have placed, and are expected to continue to place, increased demands on our management’s and employees’ skills and resources.

Further, our manufacturing activities are labour intensive, requiring our management to undertake significant labour interface, and expose us to the risk of industrial action. As on September 30, 2024, we had a workforce of 232 permanent employees and 15 contractual workers.

As on the date of this Draft Red Herring Prospectus, we have no labour unions in any of our Manufacturing Facilities. However, there is no assurance that our employees will not unionize in the future. Further, while we have not experienced any strikes or labour unrest at any of our Manufacturing Facilities in the six month period ended September 30, 2024 and the past three Fiscals, we cannot assure you that we will not experience work disruptions in the future due to disputes or other problems with our work force. Additionally, we may in the future be subject to legal proceedings initiated by our current or past employees, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with key customers and suppliers, which may adversely impact our business and financial condition.

We are subject to a number of stringent labour laws. The Government of India enacted the Code on Wages, 2019, the Occupational Safety, Health and Working Conditions Code, 2020 and the Industrial Relations Code, 2020, all the provisions of which will be brought into force on a date to be notified by the Central Government. These codes propose to subsume several existing laws and regulations in India and we cannot assure you that these codes will not impose more stringent or additional compliance requirements on us, which may increase our compliance costs. If there is any failure by us to comply with the new regime, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations, cash flows and financial condition. While we have not experienced any instance wherein we were required to pay the wages of our contract labourers in the past, we cannot assure you that such instance will not arise in the future. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. Any further changes in the existing labour laws of the countries in which we operate may increase our labour cost and may also increase time spent by our management in labour related matters, which could impact our business and results of operations. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

36. We depend on our Key Managerial Personnel and Senior Management Personnel, persons with technical expertise and other permanent employees for our business and future growth. If we are unable to recruit and retain such qualified and skilled personnel, our business and our ability to operate or grow our business may be adversely affected.

Our future performance would depend on the continued service of our Key Managerial Personnel and Senior Management Personnel, persons with technical expertise, and the loss of any senior employee and the inability to find an adequate replacement may impair our relationship with key customers and our level of technical expertise, which may adversely affect our business, financial condition, results of operations and prospects. For further details see, “*Our Management – Board of Directors*”, “*Our Management – Key Managerial Personnel and Senior Management*” on pages 245 and 260, respectively. While there has been no instance in the last three Fiscals where the resignation of any Key Managerial Personnel Senior Management Personnel had an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that such instance will not arise in the future.

The continued operations and growth of our business is also dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our performance depends largely on the efforts and abilities of these employees.

The following table sets forth the attrition rate for the Fiscals/ periods indicated:

Particulars	Six month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of employees resigned	47	47	42	67
Attrition Rate* (%)	16.97	18.01	18.18	31.16

*Attrition rate is calculated as overall exits including retired employees divided by total number of employees for the period / year.

We may require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with us. We may also be required to increase our levels of employee compensation and benefits more rapidly than in the past to remain competitive in attracting skilled personnel, or to address any breaches on parts of our respective contractors and subcontractors, where we have been the principal employers. Loss of the services of our permanent employees could adversely affect our business, financial condition and results of operations.

37. Our Company will not receive any proceeds from the Offer for Sale portion.

The Offer includes an Offer for Sale of 8,924,274 Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale (net of expenses and taxes) will be paid to Selling Shareholders in proportion of the Equity Shares offered by the Selling Shareholders in the Offer for Sale and our Company will not receive any such proceeds. For further details, see the section “*Objects of the Offer*” beginning on page 108.

38. Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which may impact on our results of operations, financial condition and cash flows.

We maintain insurance cover for our properties and assets, comprehensive general liability coverage, consequential loss policy for all normal risks associated with our business, including fire, burglary, money, accidents and other natural disasters. We also obtain insurance for transit of incoming and outgoing goods, including marine policy. We also have director and officer liability insurance policies, group mediclaim policy, workmen compensation policy and group personal accident policy for our employees.

Details regarding our insurance coverage as of September 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022 are as provided below:

Particulars	Amount (₹ in million)	Percentage of total assets as of the period indicated (in %)	Total insurance coverage (₹ in million)	Percentage of insurance coverage as of the period indicated (in %)
September 30, 2024				
Insured assets	3,226.50	77.38	9,662.46	299.47
Uninsured assets	943.38	22.62	-	-
Total assets	4,169.88	100.00		
March 31, 2024				
Insured assets	2,507.31	68.03	5,966.86	237.98
Uninsured assets	1,178.37	31.97	-	-
Total assets	3,685.68	100.00		
March 31, 2023				
Insured assets	1,854.70	62.71	3,777.47	203.67
Uninsured assets	1,102.94	37.29	-	-
Total assets	2,957.64	100.00		
March 31, 2022				
Insured assets	1,675.06	69.89	6,197.65	370.00
Uninsured assets	721.72	30.11	-	-
Total assets	2,396.78	100.00		

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our Manufacturing Facilities or sales and corporate offices or in the regions or areas where our Manufacturing Facilities or sales and corporate offices are located. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain types of risks. There are many events, other than the ones covered in the insurance policies specified above, that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured.

We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part, on time, or at all. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, results of operations, financial condition and cash flows could be adversely affected. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. While there has been no instance in the past where any event occurred where we experienced losses exceeding our insurance coverage, we cannot assure you that such instance will not arise in the future. Further, any damage or loss to our uninsured assets due to unforeseen events such as natural disasters, accidents, thefts, or other incidents may impact our results of operations, financial condition and cash flows and result in significant monetary losses.

39. Our inability to meet our obligations under our debt financing arrangements could adversely affect our business, results of operations and cash flows. Financing agreements includes certain conditions and restrictive covenants. This may limit our ability to pursue business and limit flexibility in planning for, or reacting to, changes in our business or industry.

We have entered into various financing arrangements with various lenders for short-term and long terms facilities. As of October 31, 2024, our total borrowings amounted to ₹ 1,535.83 million. Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to generate sufficient cash flows to service such debt. Any additional indebtedness we incur may have significant consequences, including, requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditure and reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions.

Our financing arrangements include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions including mortgage, lease, surrender or alienate property or any part thereof; enter into any scheme of merger, consolidation, re-organization, scheme of arrangement or compromise or reconstruction; declare any dividend if it fails to meet its interest payment obligations, make any investments by way of share capital or debentures and/ or advance funds to any party other than in the normal course of business; change or cause to change its shareholding pattern and/or extent and nature of holding of the body corporate and/ or its directors/ partners/ designated partner and/or its constituent documents in the nature of Memorandum of Association; permit any significant change in the nature of business of the Company, ownership or control of the Company; and undertake any guarantee obligations on behalf of any third party. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. As of the date of this Draft Red Herring Prospectus, we have received all consents required from our lenders in connection with the Offer.

Additionally, these financing agreements also require us to maintain certain financial ratio such as current ratio, fixed asset coverage ratio, interest coverage ratio, Debt to EBITDA and debt service coverage ratio. Further, while there has been no breach of such covenants in the past, we cannot assure you that we will be able to comply with these financial or other covenants at all times or that we will be able to obtain the consent necessary to take the actions that we believe are required to operate and grow our business. Further, there has not been any instance of re-scheduling/ re-structuring in relation to borrowings availed by us from any financial institutions or banks in the past. The implications of such restrictive covenants could have a material adverse impact on our operations and financial conditions.

Further, fluctuations in market interest rates may also affect the cost of our borrowings. Since the interest rates on certain of our borrowings may be subject to changes based on the prime benchmarking lending rate of the respective bank lenders, such borrowings may be subject to renegotiation and/or escalation on a periodic basis and may not be covered by interest rate hedge agreements. Further, we have granted security interests over certain of our assets in order to secure our borrowings, and any failure to satisfy our obligations under such borrowings could lead to the forced sale and seizure of such assets, which may adversely affect our business, financial condition and results of operations.

Further, our borrowings are secured, *inter alia*, through a charge by way of hypothecation on our present and future current assets and fixed assets as well as through mortgage on our land and building in favour of the lenders. As these assets are hypothecated or mortgaged in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted. Further, in the event we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, financial condition and results of operations may be adversely affected.

40. *We are subject to various safety, health and environmental laws and labour, workplace and related laws and regulations which may increase our compliance costs and as such adversely affect our business, results of operations and financial condition.*

We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, the laws in India limit the amount of hazardous and pollutant discharge that our Manufacturing Facilities may release into the air and water. The discharge of substances that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable and could adversely affect our

reputation. We are also required to obtain and comply with environmental permits for certain of our operations. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016, in order to establish and operate our Manufacturing Facilities in India and are subject to inspections from the relevant authorities in order to maintain such approvals.

A suspension, cancellation or refusal to extend our approvals and registrations may require us to cease production at some or all of our Manufacturing Facilities (or may affect other aspects of our operations), which may have an adverse effect on our business, financial condition, results of operations and prospects. There can be no assurance that we will be in complete compliance at all times with such laws, regulations and the terms and conditions of any consents or permits. If we violate or fail to comply adequately with these requirements, we could be fined or otherwise sanctioned by the relevant regulators. While we have not been fined or otherwise sanctioned in the past, any fines or sanctions in the future could adversely affect our business, reputation, financial condition or results of operations.

Furthermore, our approvals and registrations are subject to numerous conditions such as audit requirements. Complying with, and changes in, these regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

- 41. *We are unable to trace some of our historical corporate records including in relation to certain allotments made by our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation.***

Certain of our Company's corporate records are not traceable as the relevant information was not available in the records maintained by our Company or on the online portal of the Ministry of Corporate Affairs ("**MCA Portal**") or in the physical records available at the RoC. For instance, we are unable to trace incorporation forms, Form-2 filed in relation to allotment dated June 25, 1998, letters of offer issued to the shareholders, application forms received from the applicants for allotment in relation to the rights issue dated January 16, 2017, gift deeds in relation to certain transfers and transmission request form in relation to the transmission. For further details, see "**Capital Structure - Details of Shareholding of our Promoters and members of the Promoter Group in the Company**" and "**Capital Structure - Equity share capital history of our Company**" on pages 94 and 91, respectively.

We have been unable to trace these documents despite commissioning a detailed search at the Registrar of Companies, through an independent practicing company secretary, Dilip Bharadiya & Associates, ("**Practicing Company Secretary**"), to trace records and filings available with Registrar of Companies and reliance has been placed on the certificate dated December 2, 2024 issued by the Practicing Company Secretary. Further, we may not be able to furnish any further document evidencing the aforesaid details. We have also intimated the Registrar of Companies by way of our letter dated December 3, 2024 regarding the missing corporate records.

We cannot assure you that the abovementioned corporate records will be available in the future. Although no regulatory action/ litigation is pending against us in relation to such untraceable secretarial and other corporate records and documents, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect.

- 42. *Our Promoter, Chairman and Whole-Time Director, Vipul Parekh is unable to trace documents in relation to educational qualifications.***

Our Promoter, Chairman and Whole-Time Director, Vipul Parekh has completed his higher secondary education, however, we are unable to trace the documentary evidence in relation to the educational qualification. An application dated December 24, 2024 for issuance of a duplicate passing certificate has been made by Vipul Parekh. We cannot assure you that the details of the educational qualifications in relation to the aforementioned Director included in the section titled "**Our Management**" are complete, true and accurate. We cannot assure you that we will not be subject to risks arising from the unavailability of such records.

43. We have had instance of delays in payments of statutory dues by our Company. Any delays in payment of statutory dues may attract financial penalties from the respective government authorities and in turn may have an adverse impact on our financial condition and cash flows.

We are subject to ongoing reporting and compliance requirements and are required to make payments of periodic statutory dues, which we may not be able to undertake at all times. The table below sets forth details of statutory dues paid by our Company in relation to our employees for the years indicated:

The table below sets forth the details of the delays in statutory dues payable by our Company in relation to its employees for the periods indicated below:

TAX DEDUCTED AT SOURCE

Name of Entity	Relevant Act	Month	Fiscal	Interest amount (in ₹)	Date of Deposit	Delay in days	Reason for delay
Gem Aromatics Limited	Income Tax Act, 1961	June	2024	13.55	July 22, 2024	15	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	May	2024	900.00	July 31, 2024	54	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	May	2024	854.00	July 31, 2024	54	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	May	2024	131.51	July 22, 2024	45	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	April	2024	90.00	August 7, 2024	92	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	March	2024	1,576.76	May 22, 2024	22	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	March	2024	9.00	May 2, 2024	2	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	March	2024	492.00	June 30, 2024	61	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	February	2024	1,893.92	May 22, 2024	76	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	January	2024	1,275.43	May 22, 2024	105	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	December	2023	296.70	May 22, 2024	136	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	November	2023	796.69	May 22, 2024	167	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	May	2023	243.00	July 7, 2023	30	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	March	2023	75.00	May 6, 2023	6	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	March	2023	6.00	May 27, 2023	27	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	January	2023	20.00	March 6, 2023	27	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	January	2023	15.00	March 6, 2023	27	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	December	2022	15.00	March 6, 2023	58	Delay in invoice booking

Name of Entity	Relevant Act	Month	Fiscal	Interest amount (in ₹)	Date of Deposit	Delay in days	Reason for delay
Gem Aromatics Limited	Income Tax Act, 1961	November	2022	20.00	March 6, 2023	89	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	October	2022	20.00	March 6, 2023	119	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	March	2022	416.00	June 18, 2022	49	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	March	2022	899.00	June 30, 2022	61	Delay in invoice booking
Gem Aromatics Limited	Income Tax Act, 1961	March	2022	899.00	June 30, 2022	61	Delay in invoice booking
Krystal Ingredient Private Limited	Income Tax Act, 1961	February	2024	29.00	April 30, 2024	83	Delay in invoice booking
Krystal Ingredient Private Limited	Income Tax Act, 1961	February	2024	117.00	March 7, 2024	29	Delay in invoice booking
Krystal Ingredient Private Limited	Income Tax Act, 1961	August	2023	178.00	September 6, 2023	30	Delay in invoice booking
Krystal Ingredient Private Limited	Income Tax Act, 1961	August	2023	1,125.00	September 6, 2023	30	Delay in invoice booking
Krystal Ingredient Private Limited	Income Tax Act, 1961	July	2023	660.00	September 6, 2023	61	Delay in invoice booking
Krystal Ingredient Private Limited	Income Tax Act, 1961	July	2023	1,500.00	September 6, 2023	61	Delay in invoice booking
Krystal Ingredient Private Limited	Income Tax Act, 1961	May	2023	2,880.00	September 6, 2023	122	Delay in invoice booking
Krystal Ingredient Private Limited	Income Tax Act, 1961	April	2023	69,722.00	August 26, 2023	118	Delay in invoice booking

PF, ESI, PT AND OTHER STATUTORY DUES

Name of Entity	Relevant Act	Due date	Amount (₹ in million)	Date of Deposit	Delay in days	Reason for delay
<i>As of September 30, 2024</i>						
Gem Aromatics Limited	The Employees Provident Fund and Miscellaneous Provisions Act, 1952	September 15, 2024	0.06	September 27, 2024	12	Others
	Professional Taxes	June 15, 2024	Negligible	December 3, 2024	171	Others
	Professional Taxes	July 15, 2024	Negligible	December 3, 2024	141	Others
	Professional Taxes	August 15, 2024	Negligible	December 3, 2024	110	Others
Total			0.06			
<i>As of March 31, 2024</i>						
	Professional Taxes	August 15, 2023	Negligible	December 3, 2024	110	Others

Name of Entity	Relevant Act	Due date	Amount (₹ in million)	Date of Deposit	Delay in days	Reason for delay
Gem Aromatics Limited	Professional Taxes	October 15, 2023	Negligible	December 3, 2024	415	Others
	Professional Taxes	November 15, 2023	Negligible	December 3, 2024	384	Others
	Professional Taxes	February 15, 2024	Negligible	December 3, 2024	292	Others
	Professional Taxes	April 15, 2024	Negligible	December 3, 2024	232	Others
Total			Negligible			
As of March 31, 2023						
Gem Aromatics Limited	Employees' ESIC Act	September 15, 2022	Negligible	September 22, 2024	7	Others
	The Employees Provident Fund and Miscellaneous Provisions Act, 1952	August 15, 2022	0.14	August 16, 2022	1	Others
Total			0.14			
As of March 31, 2022						
Gem Aromatics Limited	The Maharashtra Labour Welfare Fund Act	July 15, 2021	Negligible	September 3, 2021	50	Others
Total			Negligible			

Further, the table below provides the employees for which the provident fund, employee state insurance and income tax is applicable, and the details of the relevant paid and unpaid dues are as follows:

Fiscal	No. of Employee	Total amount due	Paid	Unpaid
		(₹ million)	(₹ million)	(₹ million)
Provident Fund				
As of September 30, 2024	230	2.57	2.57	Nil
As of March 31, 2024	257	4.51	4.51	Nil
As of March 31, 2023	233	3.60	3.60	Nil
As of March 31, 2022	247	3.45	3.45	Nil
ESIC				
As of September 30, 2024	21	0.05	0.05	Nil
As of March 31, 2024	27	0.10	0.10	Nil
As of March 31, 2023	14	0.08	0.08	Nil
As of March 31, 2022	14	24.70	24.70	Nil
Professional Tax				
As of September 30, 2024	49	0.03	0.03	Nil
As of March 31, 2024	38	0.08	0.08	Nil
As of March 31, 2023	29	0.07	0.07	Nil
As of March 31, 2022	30	0.07	0.07	Nil
Income Tax				
As of September 30, 2024	12	10.20	10.20	Nil
As of March 31, 2024	12	24.70	24.70	Nil
As of March 31, 2023	12	20.93	20.93	Nil
As of March 31, 2022	10	11.12	11.12	Nil

We cannot assure you that we may face delays of payments of statutory dues in the future any may subsequently be subject to penalties and fines in the future which may have a material adverse effect on our financial condition and cash flows.

44. The unavailability, reduction or elimination of government incentives could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We benefit from several incentives offered by the Government of India and state governments in India. For example, we benefit from incentives including but not limited to (i) electricity tax exemptions; (ii) remission

of duties and taxes on exported products (“RoDTEP”); (iii) duty drawback (“DBK”). For more details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 329.

The following table provides income earned from our incentives for the periods indicated:

(₹ in million)

Particulars	Six month period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Electricity tax exemptions	0.36	0.80	0.63	0.29
RoDTEP	11.15	25.28	20.63	17.20
DBK	9.12	15.24	12.98	10.24
Total	20.63	41.32	34.24	27.73

Any delay in receiving incentives from government bodies, or a reduction in, elimination of or unfavourable application of government incentives because of policy changes, may adversely affect our financial condition and results of operations. There may be opportunities for us to apply for other incentives from the Indian government and foreign governments in the future. Our ability to obtain subsidies or incentives from governments is subject to the availability of funds and total funds allocated under applicable government programmes.

45. Failure or disruption of our IT systems may adversely affect our business, financial condition, results of operations and prospects.

We have implemented various IT systems which covers key areas of our operations, procurement, inventory, sales and dispatch and accounting. For details on our IT systems, see, “*Our Business – Information technology*” on page 227.

Our ability to keep our business operating depends on the proper and efficient operation and functioning and upgradation of various IT systems, which are susceptible to malfunctions, disruptions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network upgrade problems). Such malfunction or disruptions could cause economic losses for which we could be held liable. While we have not faced any malfunction or disruptions or cyber frauds in the six month period ended September 30, 2024 and in the past three Fiscals, there can be no assurance that we would not face such an instance in the future.

A failure of our information technology systems could also cause damage our reputation which could harm our business. Any of these developments, alone or in combination, could have an adverse effect on our business, financial condition and results of operations. Further, a large-scale IT malfunction could lead to disclosure of, and unauthorised access to, our sensitive information.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT systems may lead to inefficiency or disruption of IT systems thereby adversely affecting our ability to operate efficiently. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise materially adversely affect our business, financial condition, results of operations and prospects.

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

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions include, among other things, dividends paid to entities forming part of the Promoter Group, remunerations to our Key Managerial Personnel and remuneration to Directors.

The table below sets forth the total amount of our related party transactions in the ordinary course of business:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations
Related party transactions*	33.10	1.62	903.70	19.97	918.43	21.62	561.02	17.85

*Amount does not include transactions of guarantees

While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transaction, we cannot assure you that we could not have achieved 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 subject to compliance with the Companies Act, SEBI Listing Regulations and other statutory requirements. For further information on our related party transactions, see "*Summary of the Offer Document – Summary of Related Party Transactions*" on page 24 and "*Restated Consolidated Financial Information*" beginning on page 270.

- 47. Our Promoters will continue to retain a significant shareholding in our Company after the Offer, which will allow them to exercise influence over us. Any substantial change in our Promoters' shareholding may have an impact on the trading price of our Equity Shares which could have an adverse effect on our business, financial condition, results of operations and cash flows.**

Our Promoters will continue to exercise influence over all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This concentration of ownership may also 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 our Promoters. Further, the Promoters' shareholding may limit the ability of a third party to acquire control.

The interests of our Promoters could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoters will act to resolve any conflicts of interest in our Company's or your favour. Further, the disposal of Equity Shares by any of our Promoters or the perception that such sales may occur may significantly affect the trading price of the Equity Shares.

- 48. Our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel may have interests other than reimbursement of expenses incurred and normal remuneration or benefits.**

Our Promoters, Directors, Key Managerial Personnel and Senior Management may be interested in our Company to the extent of the Equity Shares and/or employee stock options held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For further details on our shareholding, see "*Capital Structure – Equity Shareholding of the Promoters*", "*Our Management – Shareholding of Directors*" and "*Our Management – Shareholding of Key Managerial Personnel and Senior Management*" on pages 94, 250 and 261, respectively.

Further, our Company has entered into a leave and licence agreement dated August 5, 2020 with Vipul Parekh, one of our Promoters and a leave and licence agreement dated August 5, 2020 with Kaksha Vipul Parekh, one of our Promoters, to use and occupy on temporary and non-transferable leave and licence basis certain properties including our Registered Office. For details, see "*Our Promoters and Promoter Group - Interests of our Promoters*" on page 265.

We cannot assure you that any Director who may be interested in the future, would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, such Director in the future will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting,

and our other Shareholders may be unable to affect the outcome of such voting. Such interested Director in the future may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that such interested Director in the future will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

49. *Our Subsidiaries are engaged in similar business or industry segments and may compete with us. Our Directors or Promoter may enter into ventures that may lead to conflicts of interest with our business.*

Our Subsidiaries are engaged in the same line of business as that of our Company. Given that the Subsidiaries are a wholly-owned subsidiaries as on date, there is no conflict of interest between our Company and our Subsidiaries. However, we cannot assure you that there will not be any conflict of interest between our Company, our Subsidiaries or our Group Companies in future. For details, refer to “**Group Companies**” beginning on page 369.

Our Directors, Key Managerial Personnel and Senior Management may have interests in our Company in addition to their remuneration and reimbursement of expenses. In the event that our Subsidiaries cease to be our wholly owned subsidiaries in the future, there can be no assurance that such entities will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business and financial performance.

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

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as Net Worth, Return on Net Worth, Net Asset Value per share, Gross Profit, Gross Margin, EBITDA, EBITDA Margin, PAT Margin, Return on Equity, Return on Capital Employed, Gross Fixed Assets Turnover Ratio, Net Debt to Total Equity and Net Working Capital Cycle have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance and because such measures are frequently used by security analysts, investors and others to evaluate the operational performance of companies in our industry, many of which provide such non-GAAP.

These non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these 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. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

51. *Certain sections of this Draft Red Herring Prospectus disclose information from the F&S Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*

We have availed the services of an independent third-party research agency, Frost and Sullivan, appointed by us pursuant to the engagement letter dated October 1, 2024, to prepare an industry report titled “*Independent Market Report for Gem Aromatics*” dated December 26, 2024. The F&S Report has been exclusively commissioned and paid for by us, for purposes of inclusion in this Draft Red Herring Prospectus. Neither our Company, the Selling Shareholders nor the BRLM are related to F&S. The F&S Report uses certain methodologies for market sizing and forecasting and may include numbers relating to our Company that differ

from those we record internally. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. Given the scope and extent of the F&S Report, disclosures are limited to certain excerpts and the F&S Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. There are no parts, data or information (which may be relevant for the proposed Offer), that have been left out or changed in any manner. The F&S Report is a paid report and is subject to various limitations and based upon certain assumptions that are subjective in nature. For details, please see “*Certain Conventions, Presentation of Financial, Industry And Market Data And Currency Of Presentation*” beginning on page 16.

Industry sources and publications are also prepared based on information as of specific dates. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. 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, we cannot assure you 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 significantly from those included in this Draft Red Herring Prospectus. Accordingly, investors should not place undue reliance on or base their investment decision solely on this information.

52. *Information relating to the installed capacity 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 capacity and capacity utilisation of our Manufacturing 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 the independent chartered engineer, Anjaria Enviro Tech Private Limited, in the calculation of our installed capacity and capacity utilisation, as certified pursuant to a certificate dated December 23, 2024. The information relating to the installed capacity are based on various assumptions and estimates including annualization of the installed capacity and capacity utilisation for the Manufacturing Facilities for the six month period ended September 30, 2024.

Undue reliance should therefore not be placed on our historical installed capacity and capacity utilisation for our existing Manufacturing Facilities. For tables showing our installed capacity and capacity utilisation for our manufacturing divisions, see “*Our Business – Our Operations – Manufacturing Facilities – Installed Capacity and Capacity Utilisation*” on page 222.

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

Our operations may be subject to incidents of theft or damage to inventory in transit and prior to or during warehouse stocking. The business may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in past which had a material adverse effect on our results of operations and financial condition, we cannot assure you that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

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

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. We cannot assure you that deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls. Such instances may also adversely affect our reputation, thereby adversely impacting our business, cash flows, results of operations and financial condition.

55. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency.*

We propose to utilise the Net Proceeds for the purposes described in “*Objects of the Offer*” beginning on page 108. The funding requirements are based on internal management estimates and current conditions which are subject to changes due to external circumstances, costs, other financial conditions or business strategies. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may place a burden on our finance plans. We may also face delays or incur additional costs due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. We may also use funds for future businesses which may have risks significantly different from what we currently face or may expect. Our proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or any other independent agency and is based on management estimates. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change, subject to compliance with applicable laws. Our internal management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, financial condition, results of operations and cash flows. Further, the application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

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

We propose to utilize the Net Proceeds towards (i) prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiary, Krystal Ingredients Private Limited and (ii) general corporate purposes. For details, see “*Objects of the Offer*” beginning on page 108. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. The deployment of the Net Proceeds is based on management estimates, current circumstances of our business, prevailing market conditions and has not been appraised by any bank, financial institution or other independent party. These estimates may be inaccurate, and we may require additional funds to implement the purposes of the Offer. Accordingly, at this stage, we cannot determine with any certainty if we will require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. Any delay in our schedule of implementation may cause us to incur additional costs. Such time and cost overruns may adversely impact our business, financial condition, results of operations and cash flows. Further, pending utilization of Net Proceeds towards the Objects of the Offer, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1939, as may be approved by our Board or a duly constituted committee thereof.

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds or in the terms of any contract as disclosed in this Draft Red Herring Prospectus 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 utilization 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.

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

EXTERNAL RISK FACTORS

57. Unfavourable local and global weather patterns may have an adverse effect on our business, results of operations and financial condition.

Our businesses are sensitive to weather conditions, including extremes such as drought and natural disasters. There is growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. The availability of raw materials that we require for our operations and the demand for our products may be adversely affected by longer than usual periods of heavy rainfall in certain regions or a drought in India caused by weather patterns such as the El Nino. Adverse weather conditions may also cause volatility in the prices of commodities, which may affect growers' decisions about the types and quantum of crops to plant and may consequently affect the sales of our crop protection products. 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. There is also a possibility of the countries passing regulations limiting or banning exports which would have an adverse affect on our business. Consequently, the occurrence of any such unfavourable weather patterns may adversely affect our business, results of operations and financial condition.

58. We are subject to risks relating to the economic, political, regulatory, legal or social environments of the countries in which we operate, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our Company is incorporated in India. All of our Manufacturing Facilities and R&D Facility is located in India. Our foreign Material Subsidiary is located in USA. Our business results depend on a number of general macroeconomic and demographic factors that are beyond our control. In particular, our revenue and profitability are strongly correlated to the agricultural sector related impact on the farmers, which is influenced by general economic conditions, the availability of fertile land and skilled labour, quality of soil and the produce for the year. In recent times, the COVID-19 pandemic severely restricted the level of economic activity around the world, had an unprecedented significant negative impact on the agricultural industry, which in turn materially impacted our business, financial performance and liquidity position, as well as those of many of the partners on which our business relies. In addition, we may be materially and adversely affected by various economic, political, regulatory, legal or social developments in or affecting the countries in which we operate or in which we may expand into the future. We are subject to a broad range of such risks, and we expect these risks to increase as we expand our operations into new geographies or markets, in particular, countries which may have a heightened political and/or regulatory climate. These risks include, among others, the following:

- the macroeconomic climate, including any increase in interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing, resulting in an adverse effect on economic conditions and scarcity of financing for our expansions;
- prevailing income conditions among consumers and corporations;
- epidemic, pandemic or any other public health in countries in the region or globally, including in neighbouring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and, more recently, the COVID-19 pandemic;
- volatility in, and actual or perceived trends in trading activity on, the principal stock exchanges in these countries;
- governmental laws and regulations in such jurisdictions, including any unexpected changes thereto;
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so;
- risks arising from the political and/or regulatory climate in such jurisdictions;
- difficulties and costs of staffing and managing international operations;

- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including travel bans, local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- potentially adverse tax consequences;
- uncertain protection for intellectual property rights;
- the risk of nationalization and expropriation of our assets;
- currency fluctuation and regulation risks;
- downgrading of sovereign debt ratings by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
- occurrence of force majeure events such as, but not limited to, natural or man-made disasters (such as typhoons, flooding, earthquakes and fires), which may cause us to suspend our operations;
- prevailing regional or global economic conditions, including in principal export markets;
- balance of trade movements, including export demand and movements in key imports, including oil and oil products;
- social or political instability, terrorism or military conflict in countries in the region or globally; and
- other adverse economic, political and other conditions in or affecting the countries in which we operate, office or retail sectors.

Any of these factors, many of which are outside our control, could have a material adverse effect on our business, financial condition, results of operations, cash flows and the price of the Equity Shares.

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

The economies and financial markets of India are influenced by economic and market conditions in other countries, including conditions in the United States, Europe, China and certain emerging economies in Asia such as Bangladesh. 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 India. 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**"), the United Kingdom ratified a trade and cooperation agreement governing its future relationship with the European Union. Significant political, regulatory and economic uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal, and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European economies and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments. In addition, China is one of India's major trading partners and there are rising concerns of a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Risks resulting from a relapse in the Eurozone crisis or any future debt crisis in Europe or any similar crisis could have a detrimental impact on consumer confidence levels and global economic recovery. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth.

The global credit and equity markets have from time to time, experienced substantial dislocations, liquidity disruptions and market corrections. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, may implement a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of our Equity Shares.

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

60. Any downgrading of debt ratings of India by a domestic or an international rating agency could adversely affect our business.

Our borrowing costs and 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 stable outlook by Moody's in October 2021 which was reaffirmed in August 2023 and from BBB with a stable outlook to BBB- with a stable outlook by Fitch in June 2022 which was reaffirmed in January 2024. Any further adverse revisions to such 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 the credit ratings of India may occur, for example, upon a change of government tax or fiscal policy, which are outside of our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business, cash flows, financial performance and the price of the Equity Shares.

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

Our Restated Consolidated Financial Information for the six month period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, included in this Draft Red Herring Prospectus have been derived from the audited consolidated financial statements of the Company as of and for the six month period ended September 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with Ind AS and the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India. These financial statements have been restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the Companies Act, SEBI ICDR Regulations and the Guidance Note on Reports in Company's Prospectuses (Revised 2019) issued by the ICAI, included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

62. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect us.

Any change in Indian tax laws could impact 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 or exemptions being claimed), which would ultimately reduce the tax rate (on gross basis) for Indian companies from 30.00% to 22.00% (exclusive of applicable health and education cess and surcharge). Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities or tribunals or courts would have an effect on our profitability.

The Finance Act, 2020, has, amongst other things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime. For instance, dividend distribution tax ("DDT") will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. Similarly, the Government of India has notified the Finance Act, 2024, which has introduced various

amendments to the Income Tax Act. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

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

The Government of India has also enacted the Digital Personal Data Protection Act, 2023 (“**Data Protection Act**”) on personal data protection for implementing organizational and technical measures in processing personal data and lays down norms for cross-border transfer of personal data including ensuring the accountability of entities processing personal data. The Data Protection Act requires companies that collect and deal with high volumes of personal data to fulfil certain additional obligations such as appointment of a data protection officer for grievance redressal and a data auditor to evaluate compliance with the Data Protection Act. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

The Government of India has recently announced the Union Budget for Fiscal 2025 (“**Budget**”). Pursuant to the Budget, the Finance Act, 2024, *inter alia*, has amended the capital gains tax rates and amounts, with effect from the date of announcement of the Budget. We have not fully determined the impact of these recent laws and regulations on our business. The investors are advised to consult their own tax advisors to understand their tax liability as per the laws prevailing on the date of disposal of Equity Shares. Investors are advised to carefully consider the potential tax consequences of owning, investing or trading in our Equity Shares. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations, governing our business and operations could result in us being deemed to be in contravention of such laws requiring us to apply for additional approvals.

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

63. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business and activities.*

The Competition Act prohibits any anti-competition agreement or arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India. Any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India (“**CCI**”). Any breach of the provisions of Competition Act, may attract substantial monetary penalties. With effect from April 11, 2023, the Government of India has enacted the Competition (Amendment) Act, 2023 (“**Competition Amendment Act**”). Pursuant to the Competition Amendment Act, several amendments have been made to the Competition Act, including introduction of deal value thresholds for assessing whether a merger or acquisition qualifies as a “combination”, expedited merger review timelines, codification of the lowest standard of “control” and enhanced penalties for providing false information or a failure to provide material information. Additionally, the Competition Commission of India (Lesser Penalty) Regulations, 2024 were also notified on February 20, 2024. Subsequently, the Competition Commission of India, on March 6, 2024, notified the: (i) CCI (Commitment) Regulations, 2024; (ii) CCI (Settlement) Regulations, 2024; and (iii) CCI (Determination of Turnover or Income) Regulations, 2024. With effect from September 19, 2024,

the Ministry of Corporate Affairs has issued Notification No. S.O. 4031(E) announcing that clause (f) of section 19 of the Competition Amendment Act has come into effect, which amends Section 26 of the Competition Act by addition of sub-section (9) that allows CCI to either close an investigation or pass an order under Section 27 upon completing its inquiry, provided that, prior to issuance of the final order, the CCI issues a show cause notice to the parties concerned detailing the allegations against such parties.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, financial condition and results of operations.

64. *Investors may have difficulty enforcing foreign judgments against us or our management.*

Our Company is a limited liability company incorporated under the laws of India and all of our directors are based in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Code of Civil Procedure, 1908 (“**Civil Code**”). The Civil Code only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions that do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India.

The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

65. *Changes in tax laws may materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.*

We are subject to the tax laws and policies of each of the countries in which we operate. Since legislation and other laws and regulations (including in relation to tax) in emerging markets, such as the markets where we operate, are often undeveloped and the interpretation, application and enforcement of tax laws and policies in emerging market countries is often evolving and therefore uncertain, there is a risk that we may be unable to determine our taxation obligations with certainty. The determination of tax liabilities requires significant judgment and estimation and there are classifications, transactions and calculations where the ultimate tax payable is uncertain. Any adverse determinations by a revenue authority in relation to our tax obligations may have an adverse effect on our business, financial condition and results of operations, and may adversely impact our operations in the relevant jurisdiction and our reputation.

If existing tax laws, rules or regulations in our markets are amended, or if new tax laws, rules or regulations are enacted, the results of these changes could increase our effective tax rate, tax liabilities and/or associated costs.

66. *The impact of the Russian invasion of Ukraine, the Israel-Hamas war and the Iran-Israel conflict on the global economy, energy supplies and raw materials is uncertain, but may prove to negatively impact our business and operations.*

The short and long-term implications of Russia's invasion of Ukraine, the Israel-Hamas war and the Iran-Israel conflict are difficult to predict at this time. As on the date of this Draft Red Herring Prospectus, we have not experienced any material interruptions in our business operations in connection with these conflicts. We continue to monitor any adverse impact that the outbreak of war in Ukraine, the subsequent institution of sanctions against Russia by the United States and several European and Asian countries, and the Israel-Hamas war or the Iran-Israel conflict may have on the global economy in general, on our business and operations and on the businesses and operations of our lenders and other third parties with which we conduct business. To the extent the wars in Ukraine or Israel or the conflict between Iran and Israel may adversely affect our business as discussed above, it may also have the effect of heightening many of the other risks described herein. Such risks include, but are not limited to, adverse effects on macroeconomic conditions, including inflation; disruptions to our global technology infrastructure, including through cyberattack, ransom attack, or cyber-intrusion; adverse changes in international trade policies and relations; disruptions in global supply chains; significant volatility in commodity prices and supply of energy resources; political and social instability; changes in consumer or purchaser preferences and constraints; volatility, or disruption in the capital markets, any of which could negatively affect our business and financial condition.

67. *Non-resident investors are subject to investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.*

Under foreign exchange regulations currently in force in India, the 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 and/or 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. Furthermore, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the government approval route. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction and/or purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. On April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Non-debt Instruments Rules. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 421.

68. *If inflation rises in the countries in which we operate, increased costs may result in a decline in profits.*

Inflation rates could be volatile and we may continue to face high inflation in the future. Increasing inflation in the countries in which we operate can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our business, which may adversely affect our business and financial condition. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation can increase our operating expenses, which we may not be able to pass on to customers, whether entirely or in part, and the same may adversely affect our business and financial condition. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. While the Government of India has initiated economic measures to combat high inflation rates, it is unclear whether

these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

69. Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (“ASM”) and Graded Surveillance Measures (“GSM”) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price/ earnings multiple, market capitalization, etc.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

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

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

71. The Offer Price of our Equity Shares, our price to earnings ratio and our enterprise value to EBITDA ratio may not be indicative of the trading price of our Equity Shares upon listing on the Stock Exchanges subsequent to the Offer and, as a result, you may lose a significant part or all of your investment.

Our market capitalization is subject to the determination of the Offer Price, which will be determined by our Company, in consultation with the BRLM through the book-building process. Our enterprise value to EBITDA ratio for Fiscal 2024 is set out below.

Particulars	Ratio vis-à-vis Floor Price	Ratio vis-à-vis Cap Price
Enterprise value to EBITDA (in multiples, unless otherwise specified)	[●]	[●]

The table below provides the details of our price to earnings ratio and market capitalization to revenue from our operations at the Offer Price:

Particulars	Price to earnings ratio*	Market capitalization to revenue from our operations*
Fiscal 2024	[●]	[●]

*Considering the Offer Price

Further, our Offer Price, the multiples and ratio specified above may not be comparable to the market price, market capitalization and price-to-earnings ratios of our peers, and would be dependent on the various factors.

Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company in consultation with the BRLM, would not be based on a benchmark with our industry peers.

72. *Our Equity Shares have never been publicly traded and after this offering, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop. Further, this offering Price may not be indicative of the market price of our Equity Shares after this offering.*

Prior to this Offer, there has been no public market for our Equity Shares. We cannot assure you that an active trading market for our Equity Shares will develop or be sustained after this Offer. The Offer Price of our Equity Shares is proposed to be determined by our Company based on various factors and assumptions, in consultation with the BRLM through the Book Building Process and may not be indicative of the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. The Offer Price is based on certain factors, including our Key Performance Indicators, as described under “*Basis for the Offer Price*” beginning on page 119. The market price of our Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industries and the countries in which we operate, developments relating to India and volatility in the stock exchanges and securities markets elsewhere in the world. These broad market fluctuations and industry factors may materially reduce the market price of our Equity Shares, regardless of our Company’s performance. In addition, following the expiry of the six-month locked-in period on certain portions of the pre-Offer Equity Share capital, the pre-Offer shareholders may sell their shareholding in our Company, depending on market conditions and their investment horizon. Any perception by investors that such sales might occur could additionally affect the trading price of our Equity Shares. Consequently, the price of our Equity Shares may be volatile, and you may be unable to sell your Equity Shares at or above the Offer Price, or at all. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

73. *Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on our Equity Shares.*

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realized on the sale of our Equity Shares on a stock exchange held for more than 12 months is subject to long term capital gains tax in India. A securities transaction tax (“**STT**”) will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realized on the sale of our Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long-term capital gains tax in India. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less that are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to short-term capital gains tax at a higher rate compared to the transaction where STT has been paid in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident.

As a result, subject to any relief available under an applicable tax treaty or under the laws of their own jurisdictions, residents of other countries may be liable for tax in India, as well as in their own jurisdictions on gains arising from a sale of our Equity Shares.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while, in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015%, and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, inter alia, amended the tax regime, including a simplified alternate direct tax regime, and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and, accordingly, that such dividends are not exempt in the hands of the shareholders, and that such dividends are likely to be subject to tax deduction at source. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

The Government of India has recently announced the Union Budget for Fiscal 2025 (“**Budget**”). Pursuant to the Budget, the Finance Act, 2024, inter alia, has amended the capital gains tax rates and amounts mentioned above, with effect from the date of announcement of the Budget. The investors are advised to consult their own tax advisors to understand their tax liability as per the laws prevailing on the date of disposal of Equity Shares. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in our Equity Shares. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations, governing our business and operations could result in us being deemed to be in contravention of such laws requiring us to apply for additional approvals.

74. *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.*

The dividend policy of our Company was adopted and approved by our Board in their meeting held on September 22, 2023. No dividend on has been paid by our Company during the six month period ended September 30, 2024 or Fiscals 2024, 2023 and 2022, nor since October 1, 2024 until the date of this Draft Red Herring Prospectus. There is no guarantee that any dividends will be declared or paid in the future.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We 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. 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. Further 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.

75. *Qualified institutional buyers (“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 Investors are not permitted to withdraw their Bids after the Bid/Offer Closing Date.*

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

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

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors or to our Company, as applicable. Any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the proceeds received by Shareholders. We currently do not have any hedging agreements or similar arrangements with any counter-

party to cover our exposure to any fluctuations in foreign exchange rates. The exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

77. *Fluctuations in interest rates could adversely affect our results of operations.*

We are exposed to interest rate risk resulting from fluctuations in interest rates in our borrowings, including borrowings denominated in Indian Rupees. As at October 31, 2024, we had outstanding borrowings (comprising current and non-current borrowings, current portion of non-current borrowings as well as interest accrued on borrowings) of ₹ 1,535.83 million. We have not entered into interest hedging arrangements to hedge against interest rate risk. Upward fluctuations in interest rates may increase our borrowing costs, which could impair our ability to compete effectively in our business relative to competitors with lower levels of indebtedness. As a result, our business, financial condition, cash flows and results of operations may be adversely affected. In addition, we cannot assure you that difficult conditions in the global credit markets will not negatively impact the cost or other terms of our existing financing as well as our ability to obtain new credit facilities or access the capital markets on favourable terms.

78. *We cannot assure that prospective investors will be able to sell immediately on an Indian stock exchange any of our Equity Shares they purchase in the Offer.*

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to the Offer and until our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the Stock Exchanges within a prescribed time. Accordingly, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all and there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares.

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

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

80. *Any future issuance of Equity Shares or securities linked to Equity Shares may dilute your shareholding, and sale of our Equity Shares by our major shareholders may also adversely affect the trading price of our Equity Shares.*

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, may lead to the dilution of investors' shareholdings in us. There can be no assurance that we will not issue further Equity Shares or that the Shareholders will not dispose of our Equity Shares. Any future issuances could also dilute the value of your investment in our Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

Any sales (or pledge or encumbrance) of substantial amounts of our Equity Shares in the public market after the completion of the Offer by our major shareholders, including our Promoters (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations), or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and materially impair our future ability to raise capital through offerings of our Equity Shares.

81. *The current market price of some securities listed pursuant to certain previous issues managed by the BRLM is below their respective issue prices.*

The current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLM is below their respective issue prices. For further information, see “***Other Regulatory and Statutory Disclosures — Price information of past issues handled by the BRLM***” on page 380. The factors that could affect the market price of our Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or that sustained trading will take place in our Equity Shares, or provide any assurance regarding the price at which our Equity Shares will be traded after listing.

82. *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 widespread 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 shareholders of an entity in another jurisdiction.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares ⁽¹⁾	Up to [●] Equity Shares of face value of ₹ 2 each, aggregating up to ₹ [●] million
<i>Of which:</i>	
Fresh Issue ^{(1)^}	Up to [●] Equity Shares of face value of ₹ 2 each, aggregating up to ₹ 1,750.00 million
Offer for Sale ⁽²⁾⁽³⁾	Up to 8,924,274 Equity Shares of face value of ₹ 2 each, aggregating up to ₹ [●] million
The Offer comprises of:	
A) QIB Portion⁽⁴⁾⁽⁵⁾⁽⁶⁾	Not more than [●] Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million
<i>of which:</i>	
(i) Anchor Investor Portion ⁽⁶⁾	Up to [●] Equity Shares of face value of ₹ 2 each
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹ 2 each
<i>of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares of face value of ₹ 2 each
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares of face value of ₹ 2 each
B) Non-Institutional Portion⁽⁴⁾⁽⁵⁾	Not less than [●] Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million
<i>of which:</i>	
(a) One-third available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million	Up to [●] Equity Shares of face value of ₹ 2 each
(b) Two-third available for allocation to Bidders with an application size of more than ₹ 1.00 million	Up to [●] Equity Shares of face value of ₹ 2 each
C) Retail Portion⁽⁴⁾⁽⁵⁾	Not less than [●] Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million
Pre- and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	46,852,523 Equity Shares of face value of ₹ 2 each
Equity Shares outstanding after the Offer*	[●] Equity Shares of face value of ₹ 2 each
Use of Net Proceeds of the Offer	See “ <i>Objects of the Offer</i> ” beginning on page 108 for information about the use of the Net Proceeds of the Offer. Our Company will not receive any proceeds from the Offer for Sale.

* To be updated upon finalization of the Offer Price.

^ Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

(1) The Offer has been authorized pursuant to the resolution passed by our Board dated December 16, 2024. The Fresh Issue has been authorized by our Shareholders by a special resolution dated December 17, 2024. Further, our Board has taken on record the consents of the Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated December 16, 2024.

(2) Each of the Selling Shareholders have, severally and not jointly, authorized their respective participation in the Offer for Sale to the extent of their respective portion of the Offered Shares pursuant to their respective consent letters. The details of such authorisations are provided below:

Sr. No.	Name of the Selling Shareholder	Number of Offered Shares in the Offer for Sale	Date of the consent letter to participate in the Offer for Sale	Date of board resolution/ authorization to participate in the Offer for Sale
1.	Vipul Parekh	Up to 3,396,187 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million	December 16, 2024	-
2.	Kaksha Vipul Parekh	Up to 1,626,183 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million	December 16, 2024	-
3.	Yash Vipul Parekh	Up to 1,670,835 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million	December 16, 2024	-
4.	dōTERRA Enterprises, Sàrl	Up to 2,231,069 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million	December 16, 2024	December 12, 2024

- (3) The Equity Shares held by the respective Selling Shareholders and being offered by the Selling Shareholders are eligible to form a part of the Offer for Sale in terms of the SEBI ICDR Regulations. Each of the Selling Shareholders, severally and not jointly, confirm that the Equity Shares being offered by them are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations, as of the date of this Draft Red Herring Prospectus. For further details, see “**Other Regulatory and Statutory Disclosures**” beginning on page 371.
- (4) 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, as applicable, at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, subject to applicable laws. Undersubscription in the Offer, if any, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. For further details, see “**Offer Structure**” beginning on page 393.
- (5) Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investors 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. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. The allocation to each Non-Institutional Investors shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.
- (6) Our Company, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the Equity Shares allocated to Anchor Investors One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investors Allocation Price. In case of under-subscription or non- Allotment in the Anchor Investor Portion, the remaining Equity Shares will be added back to the Net QIB Portion Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. 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. For further information, see “**Offer Procedure**” beginning on page 397.

For further details including in relation to grounds for rejection of Bids, see “**Offer Structure**”, “**Offer Procedure**” and “**Terms of the Offer**” beginning on pages 393, 397 and 386.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Consolidated Financial Information. The summary financial information presented below should be read in conjunction with 'Restated Consolidated Financial Information', and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page 270 and 329, respectively.

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RESTATED STATEMENT OF ASSETS AND LIABILITIES

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

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS				
(A) Non-current assets				
(a) Property, plant and equipment	404.90	402.76	263.26	258.45
(b) Right-of-use assets	89.79	92.62	94.07	98.82
(c) Capital work in progress	668.49	303.58	108.72	12.87
(d) Other intangible assets	1.25	0.65	0.62	0.24
(e) Financial assets				
(i) Investments *	-	-	0.00	0.00
(ii) Other financial assets	16.27	8.69	8.88	2.86
(f) Income tax assets	33.05	32.94	29.77	-
(g) Deferred tax assets (Net)	11.42	11.61	7.32	-
(h) Other non-current assets	63.76	28.19	1.30	2.71
Total Non-current assets	1,288.93	881.04	513.94	375.95
(B) Current assets				
(a) Inventories	2,099.74	1,744.77	1,425.06	1,341.33
(b) Financial assets				
(i) Trade receivables	443.41	453.30	796.36	395.07
(ii) Cash and cash equivalents	56.54	158.84	105.83	64.98
(iii) Loans	0.36	0.44	1.40	0.84
(iv) Other financial assets	12.40	129.64	3.21	9.70
(c) Income tax assets (net)	23.07	-	-	-
(d) Other current assets	245.43	317.65	111.84	208.91
Total Current assets	2,880.95	2,804.64	2,443.70	2,020.83
Total Assets	4,169.88	3,685.68	2,957.64	2,396.78
EQUITY AND LIABILITIES				
(A) Equity				
(a) Equity share capital	93.71	93.71	17.85	17.85
(b) Other equity	2,394.92	2,211.77	1,777.46	1,363.74
Total Equity	2,488.63	2,305.48	1,795.31	1,381.59
(B) Liabilities				
(I) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	343.95	239.93	2.83	-
(ii) Lease liabilities	2.42	2.85	4.92	8.41
(b) Provisions	1.14	-	-	0.42
(c) Deferred tax liabilities (Net)	-	-	-	0.30
Total Non-current liabilities	347.51	242.78	7.75	9.13
(II) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	909.55	871.32	890.78	769.21
(ii) Lease liabilities	2.64	4.90	3.47	3.61
(iii) Trade payables				
1. Total outstanding dues of micro enterprises and small enterprises	57.12	50.09	22.16	51.26
2. Total outstanding dues of creditors other than micro enterprises and small enterprises	323.96	139.03	189.27	123.58
(iv) Other financial liabilities	9.94	5.95	32.77	24.04
(b) Other current liabilities	25.71	35.26	10.14	5.52
(c) Provisions	0.75	0.96	0.98	-
(d) Current tax liabilities	4.07	29.91	5.01	28.84
Total Current liabilities	1,333.74	1,137.42	1,154.58	1,006.06
Total Equity and Liabilities	4,169.88	3,685.68	2,957.64	2,396.78

* Amount shown as 0.00 million is less than 0.01 million

RESTATED STATEMENT OF PROFIT AND LOSS

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

Particulars	For the six months period ended September 30, 2024	For the Financial Year ended March 31, 2024	For the Financial Year ended March 31, 2023	For the Financial Year ended March 31, 2022
(1) Income				
(a) Revenue from operations	2,048.94	4,524.52	4,247.93	3,143.29
(b) Other income	16.22	17.73	3.00	26.44
Total Income	2,065.16	4,542.25	4,250.93	3,169.73
(2) Expenses				
(a) Cost of materials consumed	1,659.61	3,444.24	3,165.12	2,717.60
(b) Changes in inventories of finished goods and work-in-progress	(84.33)	(32.68)	8.71	(335.31)
(c) Employee benefits expense	62.09	111.34	108.07	93.18
(d) Finance costs	24.25	62.70	56.40	31.12
(e) Depreciation and amortization expense	35.28	62.63	47.57	43.31
(f) Other expenses	116.01	218.08	304.17	176.18
Total Expenses	1,812.91	3,866.31	3,690.04	2,726.08
(3) Profit before tax (1-2)	252.25	675.94	560.89	443.65
(4) Tax expense				
(a) Current tax	68.72	184.77	121.75	134.70
(b) Deferred tax	0.28	(4.44)	(7.58)	(2.50)
(c) Tax relating to prior years	-	(5.43)	-	(0.41)
Total Tax expense	69.00	174.90	114.17	131.79
(5) Profit for the period	183.25	501.04	446.72	311.86
(6) Other Comprehensive Income/(Loss)				
(a) Items that will be reclassified to Profit / (Loss)				
(i) Exchange differences on translation of financial statements of foreign operations	0.17	8.70	(33.11)	(5.45)
(b) Items that will not be reclassified subsequently to Profit / (Loss)				
(i) Remeasurement of defined employee benefit plans	(0.36)	0.58	0.15	0.12
(ii) Tax effect on above	0.09	(0.15)	(0.04)	(0.03)
Total Other Comprehensive Income/(Loss)	(0.10)	9.13	(33.00)	(5.36)
(7) Total Comprehensive Income for the period	183.15	510.17	413.72	306.50
Earnings per share (EPS)				
(1) Basic EPS	3.91*	10.69	9.53	6.66
(2) Diluted EPS	3.91*	10.69	9.53	6.66

*Not annualized.

RESTATED STATEMENT OF CASH FLOWS

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

Particulars	For the six months period ended September 30, 2024	For the Financial Year ended March 31, 2024	For the Financial Year ended March 31, 2023	For the Financial Year ended March 31, 2022
(A) Cashflows from operating activities				
Restated Profit before tax	252.25	675.94	560.89	443.65
Adjustment for:				
Depreciation and amortization	35.28	62.63	47.57	43.31
Interest on lease liabilities	0.30	0.91	0.93	1.23
Foreign exchange gain/(loss)	(4.35)	1.19	46.43	(15.12)
Finance Cost	23.96	61.78	55.47	29.89
Interest income on bank deposits	(7.03)	(7.85)	(0.22)	(0.21)
Unrealised Fair value (gain)/loss on forward contracts (Net)	1.28	(8.34)	7.94	(9.27)
Profit/(Loss) on sale of Property, plant and equipment (Net)	(0.82)	0.04	(0.06)	0.28
Operating cash flow before working capital changes	300.87	786.30	718.95	493.76
Adjustment for changes in working capital:				
(Increase) / Decrease in inventories	(354.96)	(319.71)	(83.73)	(387.50)
(Increase) / Decrease in trade receivables	14.23	341.87	(447.68)	(8.04)
(Increase) / Decrease in other assets	145.11	(349.63)	98.38	(58.07)
Increase / (Decrease) in trade payables	191.76	(22.30)	36.59	2.53
Increase / (Decrease) in other liabilities	(4.62)	(1.73)	5.98	16.64
Cash generated from operations	292.39	434.80	328.49	59.32
Taxes paid (Net of refunds)	(117.81)	(158.53)	(175.33)	(111.35)
Net cashflows from operating activities	174.58	276.27	153.16	52.03
(B) Cashflows from investing activities				
Purchase of property, plant and equipment and intangible assets	(400.94)	(391.42)	(143.80)	(141.86)
Sale of Property, Plant and Equipment*	1.66	0.00	-	1.51
Interest Income	6.93	7.67	0.22	0.21
Net cashflows from investing activities	(392.35)	(383.75)	(143.58)	(140.14)
(C) Cashflows from financing activities				
Proceeds from Current Borrowings	1,075.34	3,133.89	3,017.06	2,778.93
Repayment of Current Borrowings	(1,036.00)	(3,184.84)	(2,895.48)	(2,566.58)
Proceeds from Non-Current Borrowings (includes current maturities of long term borrowings)	104.03	269.86	4.09	2.83
Repayment of Non-Current Borrowings	(1.12)	(1.28)	(1.26)	-
Interest Paid	(23.77)	(60.38)	(55.47)	(29.90)
Payment of lease liabilities including interest	(3.19)	(5.46)	(4.56)	(4.34)
Net cashflows from financing activities	115.29	151.79	64.38	180.94
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(102.48)	44.31	73.96	(11.23)
Cash and cash equivalents at the beginning of the period	158.84	105.83	64.98	81.66
Add: Effect of exchange rate changes				
Effect of exchange rate changes	0.17	8.70	(33.11)	(5.45)
Cash and cash equivalents at the end of the period	56.54	158.84	105.83	64.98
Cash and cash equivalents comprise of:				
Cash on hand	0.65	0.25	1.58	1.00
Balance with banks:				

In current accounts	20.14	2.73	6.05	61.37
In cash credit account	35.75	100.86	98.20	-
In deposit accounts with original maturity of 3 months or less	-	55.00	-	2.61
Total Cash and cash equivalents	56.54	158.84	105.83	64.98

GENERAL INFORMATION

Registered and Corporate Office of our Company

The address of our Registered Office is as follows:

Gem Aromatics Limited

A/410, Kailas Complex,
Vikhroli Powai Link Road,
Park Site, Vikhroli (W),
Mumbai – 400 079,
Maharashtra, India

The address of our Corporate Office is as follows:

A/503, Kailas Complex,
Vikhroli Powai Link Road,
Park Side, Vikhroli (West),
Mumbai – 400070,
Maharashtra, India

For details in relation to our incorporation, the changes to our name and the registered office of our Company, see “*History and Certain Corporate Matters – Brief history of our Company*” and “*History and Certain Corporate Matters – Changes in the registered office of our Company*” on page 237 each

Company Registration Number: 111057

Corporate Identity Number: U24246MH1997PLC111057

Address of the RoC

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

100, Everest, Marine Drive,
Mumbai – 400002,
Maharashtra, India

Board of Directors

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

Name	Designation	DIN	Address
Vipul Parekh	Chairman and Whole-Time Director	00235974	B-2206, Raj Grandeur Co-op Housing Society Limited, Behind Hiranandani Hospital, Tirandaz Village, Powai Mumbai – 400 076, Maharashtra, India
Kaksha Vipul Parekh	Whole-Time Director and Chief Financial Officer	00235998	B-2206, Raj Grandeur Co-op Housing Society Limited, Behind Hiranandani Hospital, Tirandaz Village, Powai Mumbai – 400 076, Maharashtra, India
Yash Vipul Parekh	Managing Director and Chief Executive Officer	03514313	B-2206, Raj Grandeur Co-op Housing Society Limited, Behind Hiranandani Hospital, Mumbai – 400 076, Maharashtra, India
Ajay Sahai	Independent Director	06640411	05A, FW04, Panorama Suite, M3M, Golf Estate, Golf Course Extension Road, Sector 65, Gurgaon – 122 001, Haryana, India
Shrenik Kishorbhai Vora	Independent Director	08688950	C 1007, Navnit CHSL, Bhardawadi Road, Andheri West, Mumbai – 400 058, Maharashtra, India
Vishakha Hari Bhagvat	Independent Director	10352263	C-34, Lokmanya Nagar, T.H Kataria Marg, Near Bank of Maharashtra,

Name	Designation	DIN	Address
			Mahim, Mahim H.O, Mumbai – 400 016, Maharashtra, India
Parag Ratnakar Gogate	Independent Director	10290631	9, Faculty Quarters ICT, Nathalal Parekh Marg, Matunga, Mumbai – 400 019, Maharashtra, India
Shubhangi Bhalchandra Umbarkar	Independent Director	10302285	D2-12 NCL Colony, Dr. Homi Bhabha Road, Pashan, Pune City, Pune – 411 008, Maharashtra, India

For brief profiles and further details of our Directors, see “*Our Management – Board of Directors*” on page 245.

Company Secretary and Compliance Officer

Pooja Padam Bhandari is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Pooja Padam Bhandari

A/410, Kailas Complex,
Vikhroli Powai Link Road, Park Site,
Vikhroli (W), Mumbai – 400 079,
Maharashtra, India
Telephone: +91 22 2518 5231
E-mail: secretarial@gemaromatics.in

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed and uploaded through SEBI’s online intermediary portal at <https://siportal.sebi.gov.in>, in accordance with Regulation 25(8) of the SEBI ICDR Regulations and in accordance with SEBI ICDR Master Circular. Physical copies of this Draft Red Herring Prospectus will also be filed at:

Securities and Exchange Board of India

Corporation Finance Department Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, ‘G’ Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051, Maharashtra, India

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 would be filed with the RoC at its office and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office, and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

Investor Grievances

Bidders may contact the Company Secretary and Compliance Officer, BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related queries, grievances and for redressal of complaints including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All Offer-related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, UPI ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose a copy of the Acknowledgment Slip or provide the application number received from the Designated Intermediary(ies) in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar

to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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

Book Running Lead Manager

Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower
Rahimtullah Sayani Road
Opposite Parel ST Depot, Prabhadevi, Mumbai
Maharashtra, India 400025
Tel: +91 22 7193 4380
E-mail: gem.ipo@motilaloswal.com
Investor grievance e-mail: moiaplredressal@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact Person: Sukant Goel / Ronak Shah
SEBI Registration No.: INM000011005

Statement of Responsibilities

Motilal Oswal Investment Advisor Limited is the sole Book Running Lead Manager to the Offer and all the responsibilities relating to co-ordination and other activities in relation to the Offer shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Syndicate Members

[•]

Legal Counsel to our Company as to Indian law

Saraf and Partners

2402, Tower 2, One International Center,
Senapati Bapat Marg, Prabhadevi West,
Mumbai 400 013,
Maharashtra, India
Telephone: +91 22 4405 0600

Registrar to the Offer

KFin Technologies Limited

Selenium Tower B, Plot No. 31 and 32, Gachibowli,
Financial District,
Nanakramguda, Serilingampally Hyderabad-500 032,
Telangana, India
Telephone: +91 40 6716 2222/ 18003094001
E-mail: gem.ipo@kfintech.com
Website: www.kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M. Murali Krishna
SEBI registration number.: INR000000221
CIN: L72400TG2017PLC117649

Banker(s) to the Offer

[•]

Escrow Collection Bank

[•]

Public Offer Account Bank(s)

[•]

Refund Bank

[•]

Sponsor Bank

[•]

Statutory Auditor to the Company

M/s Chhajed & Doshi

101 Hubtown Solaris,
Near East West Flyover, NS Phadke Marg,
Andheri-East, Mumbai – 400 069
Maharashtra, India.

Telephone: 022 6103 7878

E-mail: info@cndindia.com

Firm registration number: 101794W

Peer review number: 014715

Contact Person: CA Abhinav Chhajed

Changes in Statutory Auditors

There has been no change in the Statutory Auditors of our Company during the last 3 years preceding the date of this Draft Red Herring Prospectus.

Bankers to our Company

Axis Bank Limited

AXIS House, 7th Floor
Wadia International Centre,
Mumbai,
Maharashtra, India 400025
Telephone: +91 91670 18311
Email:
anushree.karande@axisbank.com
Website: www.axisbank.com
Contact Person: Anushree Karande

Citibank N.A.

Nirmal Building, Ground floor,
Barrister Rajni Patel Marg,
Next to Express Tower and CR2 Mall,
Nariman Point, Mumbai – 400021
Telephone: +91 9824000945
Email: Arpan.goel@citi.com
Website: www.citigroup.com
Contact Person: Arpan Goel

DBS Bank India Limited

Unit No 1 & 6,
Kanakia Wall Street,
Village Chakala, Andheri Kurla Road
Andheri East,
Mumbai – 400097
Telephone: +022 683311201/ 1299
Email: ananddesai@dbs.com
Website: www.dbs.com
Contact Person: Anand Desai

HDFC Bank Limited

Zenith House,
2nd Floor, CCM Dept.,
Mahalaxmi,
Mumbai – 400078.
Telephone: +022 39760068
Email:
Raparla.Rajendra@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Rajendra Raparla

ICICI Bank Limited

ICICI Bank Limited,
6th Floor, Ackruti Centre Point,
Kondivita, Near Telephone Exchange,
MIDC, Andheri (E), Mumbai- 400093
Telephone: +022 68053000
Email: gaurav.khandelwal@icicibank.co
Website: www.icicibank.com
Contact Person: Gaurav Khandelwal

Designated Intermediaries

Self-Certified Syndicate Banks

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

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

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

Eligible SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI ICDR Master Circular and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 read with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, read with other applicable UPI Circulars, UPI Bidders, bidding using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Syndicate SCSB Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Experts to the Offer

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

Our Company has received written consent dated December 28, 2024 from M/s Chhajed & Doshi, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under section 26(5) of the Companies Act, 2013, and as an ‘expert’ as required under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated December 16, 2024, relating to the Restated Consolidated Financial Information; and (ii) the statement of special tax benefits dated December 25, 2024, included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated December 26, 2024 from, KNAV Advisory Inc, to include their name as required under Section 26(5) of the Companies Act, 2013, read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an ‘expert’ as required under Section 2(38) of the Companies Act in respect of the statement of special tax benefits dated December 24, 2024 available to our Material Subsidiary, Gem Aromatics LLC, under the applicable taxation laws of the United States of America, included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated December 23, 2024 from Anjaria Enviro Tech Private Limited, Independent Chartered Engineer to include their name as required under section 26(5) of the Companies Act read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an ‘expert’ as defined under Section 2(38) of the Companies Act to the extent and in their capacity as Independent Chartered Engineer in respect of the certificate dated December 23, 2024 issued by them in connection with *inter alia* the installed capacity, actual production, capacity utilisation and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated December 2, 2024 from the practicing company secretary, Dilip Bharadiya & Associates, to include their name as an ‘expert’ as defined under Section 2(38) of the Companies Act to the extent and in their capacity as practicing Company Secretary in respect of their certificate dated December 2, 2024 issued by them in connection with *inter alia* the share capital buildup and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

However, the term ‘expert’ shall not be construed to mean an ‘expert’ as defined under U.S. Securities Act.

Monitoring Agency

Our Company shall in compliance with Regulation 41 of the SEBI ICDR Regulations, appoint a Monitoring Agency, prior to filing of the Red Herring Prospectus, for monitoring the utilization of the proceeds from the Fresh Issue. For details in relation to the proposed utilisation of the Net Proceeds, see “*Objects of the Offer*” beginning on page 108.

Credit Rating

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Grading of the Offer

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

Debenture Trustee

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

Appraising Entity

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

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLM, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located), at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company, in consultation with the BRLM, after the Bid/ Offer Closing Date. For details, see “*Offer Procedure*” beginning on page 397.

All Bidders other than Anchor Investors shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or in the case of UPI Bidders, by using the UPI Mechanism. In addition to this, the Retail Individual Investors shall participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or by using the UPI Mechanism. Non-Institutional Investors with an application size of up to ₹ 0.50 million shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

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

For further details, see “*Terms of the Offer*”, “*Offer Structure*” and “*Offer Procedure*” beginning on pages 386, 393 and 397, respectively.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. Each of the Selling Shareholders has, severally and not jointly, specifically confirmed that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to it, in relation to its portion of the Offered Shares. In this regard, our Company and the Selling Shareholders have appointed the Book Running Lead Manager to manage this Offer and procure Bids for this Offer.

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

Bidders should note that the Offer is also subject to (i) the final approval of the RoC after filing of the Prospectus by our Company with the RoC; and (ii) our Company obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment as per the prescribed timelines in compliance with the SEBI ICDR Regulations.

For further details on the method and procedure for Bidding, see “*Offer Procedure*” and “*Offer Structure*” beginning on pages 397 and 393 respectively.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company, the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters and the Registrar to the Offer for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by the BRLM shall be as per the Underwriting

Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

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

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC, and this portion shall be applicable upon the execution of the Underwriting Agreement and filing of the Prospectus with the RoC, as applicable)

(₹ in million)

Name, address, telephone and e-mail address of the Underwriters	Indicative Number of Equity Shares of face value of ₹ 2 each to be Underwritten	Amount Underwritten
[●]	[●]	[●]
[●]	[●]	[●]

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

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

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

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

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

Sr. No.	Particulars	Aggregate nominal value (in ₹)	Aggregate value at Offer Price* (in ₹)
A	AUTHORISED SHARE CAPITAL⁽¹⁾		
	70,000,000 Equity Shares of face value of ₹ 2 each	140,000,000	-
	1,000,000 Preference Shares of face value of ₹ 10 each	10,000,000	-
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	46,852,523 Equity Shares of face value of ₹ 2 each	93,705,046	-
C	PRESENT OFFER^{(2) (4)}		
	Offer of up to [●] Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million*	[●]	[●]
	<i>Of which:</i>		
	Fresh Issue of up to [●] Equity Shares of ₹ 2 each aggregating up to ₹ 1,750.00 million ⁽⁴⁾	[●]	[●]
	Offer for Sale of up to 8,924,274 Equity Shares of ₹ 2 each aggregating up to ₹ [●] million ⁽³⁾	[●]	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
	[●] Equity Shares of face value ₹ 2 each*	[●]	[●]
E	SECURITIES PREMIUM ACCOUNT		
	Before the Offer		401,980,552
	After the Offer*		[●]

*To be included upon finalization of the Offer Price and Basis of Allotment.

- (1) For details of changes to our authorised share capital in the last 10 years preceding the date of this Draft Red Herring Prospectus, please see "**History and Certain Corporate Matters –Amendments to our Memorandum of Association**" on page 238.
- (2) The Offer has been authorised by our Board pursuant to its resolution dated December 16, 2024 and the Fresh Issue has been authorised by our Shareholders pursuant to a special resolution dated December 17, 2024.
- (3) Each Selling Shareholder severally and not jointly confirm that their respective portion of the Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of the authorizations received for the Offer, please see "**The Offer**" beginning on page 75.
- (4) Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

[Remainder of the page has been intentionally left blank]

Notes to Capital Structure

1. Equity share capital history of our Company

The following table sets forth the history of the equity share capital of our Company:

Date of allotment	Nature of allotment	Details of allottees	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Form of consideration	Cumulative number of equity shares	Cumulative paid-up Equity Share capital (in ₹)
October 3, 1997	Allotment pursuant to initial subscription to the Memorandum of Association^	Allotment of 100 equity shares each to Vipul Parekh and Kaksha Vipul Parekh	200	10	10.00	Cash	200	2,000
June 25, 1998	Further issue*	Allotment of (i) 1,900 equity shares each to Vipul Parekh and Kaksha Vipul Parekh; (ii) 9,000 equity shares to Sarla Parekh; and (iii) 500 equity shares each to Vipul Parekh (HUF), Nathalal Parekh (HUF), Yash Vipul Parekh, and Sneh Parekh	14,800	10	10.00	Cash	15,000	150,000
January 1, 2001	Bonus issue of 285,000 equity share in proportion of the shares held by the shareholders as on January 1, 2001	Allotment of (i) 38,000 equity shares each to Vipul Parekh and Kaksha Vipul Parekh; (ii) 171,000 equity shares to Sarla Parekh; and (iii) 9,500 Equity Shares each to Nathalal Parekh (HUF), Vipul Parekh (HUF), Yash Vipul Parekh, and Sneh Parekh	285,000	10	NA	NA	300,000	3,000,000
February 2, 2011	Further Issue	Allotment of (i) 100,000 equity shares to Vipul Parekh, and (ii) 200,000 equity shares to Yash Vipul Parekh	300,000	10	10.00	Cash	600,000	6,000,000
February 17, 2012	Further Issue	Allotment of (i) 150,000 equity shares to Vipul Parekh, (ii) 100,000 equity shares to Kaksha Vipul Parekh, and (iii) 50,000 equity shares each to Yash Vipul Parekh and Sneh Parekh	350,000	10	10.00	Cash	950,000	9,500,000
January 16, 2017	Rights issue to the existing shareholders in proportion of	Allotment of (i) 33,389 equity shares to Vipul Parekh, (ii) 22,421 equity shares to Yash Vipul Parekh, (iii) 19,979 equity shares to Kaksha Vipul Parekh, and (iv) 4,211 equity shares to Vipul Parekh HUF	80,000	10	70.00	Cash	1,030,000	10,300,000

Date of allotment	Nature of allotment	Details of allottees	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Form of consideration	Cumulative number of equity shares	Cumulative paid-up Equity Share capital (in ₹)
	the shares held by them on December 31, 2016 [#]							
December 8, 2017	Conversion of unsecured loan into equity shares	Allotment of (i) 165,000 equity shares to Vipul Parekh, (ii) 60,000 equity shares to Kaksha Vipul Parekh, and (iii) 21,914 equity shares to Yash Vipul Parekh	246,914	10	81.00	Other than cash	1,276,914	12,769,140
March 8, 2018	Conversion of unsecured loan into equity shares	Allotment of (i) 24,691 equity shares to Vipul Parekh, (ii) 18,519 equity shares each to Kaksha Vipul Parekh and Yash Vipul Parekh	61,729	10	81.00	Other than cash	1,338,643	13,386,430
May 17, 2019	Preferential Issue	Allotment of 446,215 equity shares to dōTERRA Enterprises, Sàrl	446,215	10	1,021.00	Cash	1,784,858	17,848,580
Equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed, and paid-up share capital of our Company comprising 1,784,858 equity shares of face value of ₹ 10 each was sub-divided into 8,924,290 Equity Shares of face value of ₹ 2 each authorised by our Board pursuant to the resolution at its meeting held on July 13, 2023 and Shareholders pursuant to the special resolution at their meeting held on July 14, 2023.							8,924,290	17,848,580
July 14, 2023	Bonus issue in the ratio of 17 Equity Shares for every four Equity Shares held	Allotment of (i) 13,803,575 Equity Shares to Vipul Parekh, (ii) 7,255,027 Equity Shares to Kaksha Vipul Parekh, (iii) 7,387,562 Equity Shares to Yash Vipul Parekh, and (iv) 9,482,069 Equity Shares to dōTERRA Enterprises, Sàrl	37,928,233	2	NA	NA	46,852,523	93,705,046

[^] Our Company was incorporated on October 3, 1997. The date of subscription to the Memorandum of Association is September 12, 1997 and the allotment of equity shares pursuant to such subscription was taken on record by our Board on October 4, 1997.

^{*} Our Company is unable to trace Form-2 filed in relation to the allotment. We have accordingly relied on the board resolution passed for allotment of equity shares. For further details, see “**Risk Factors – Internal Risk Factors – 41. We are unable to trace some of our historical corporate records including in relation to certain allotments made by our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation.**” on page 55.

[#] Our Company is unable to trace letters of offer issued to the shareholders and application forms received from the applicants for allotment in relation to the rights issue. We have accordingly relied on the board resolution passed for allotment of equity shares and Form PAS-3 filed with the RoC. For further details, see “**Risk Factors – Internal Risk Factors – 41. We are unable to trace some of our historical corporate records including in relation to certain allotments made by our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation.**” on page 55.

2. All the issuances of the Equity Shares since the date of inception by our Company, have been in compliance with the relevant provisions of the Companies Act, 2013 and Companies Act, 1956 as may be applicable.

Further, the Company has not issued any other securities since its incorporation.

3. Preference share capital history of our Company

Our Company does not have any outstanding preference shares, as on the date of this Draft Red Herring Prospectus.

4. Details of shares issued for consideration other than cash or by way of bonus issue

Except as set forth below, we have not issued any Equity Shares for consideration other than cash or by way of a bonus issue:

Date of allotment	Nature of allotment	Details of allottees	Number of Equity Shares allotted	Face value (₹)	Issue price per equity share (₹)	Benefits if any that have accrued to the Company
January 1, 2001	Bonus issue of 285,000 equity share in proportion of the shares held by the shareholders as on January 1, 2001	Allotment of (i) 38,000 equity shares each to Vipul Parekh and Kaksha Vipul Parekh; (ii) 171,000 equity shares to Sarla Parekh; and (iii) 9,500 equity shares each to Nathalal Parekh (HUF), Vipul Parekh (HUF), Yash Vipul Parekh, and Sneh Parekh	285,000	10	NA	NA
December 8, 2017	Conversion of loan into equity shares	Allotment of (i) 165,000 equity shares to Vipul Parekh, (ii) 60,000 equity shares to Kaksha Vipul Parekh, and (iii) 21,914 equity shares to Yash Vipul Parekh	246,914	10	81.00	NA
March 8, 2018	Conversion of loan into equity shares	Allotment of (i) 24,691 equity shares to Vipul Parekh, (ii) 18,519 equity shares each to Kaksha Vipul Parekh and Yash Vipul Parekh	61,729	10	81.00	NA
July 14, 2023	Bonus issue in the ratio of 17 Equity Shares for every 4 Equity Shares held	Allotment of (i) 13,803,575 Equity Shares to Vipul Parekh, (ii) 7,255,027 Equity Shares to	37,928,233	2	NA	NA

Date of allotment	Nature of allotment	Details of allottees	Number of Equity Shares allotted	Face value (₹)	Issue price per equity share (₹)	Benefits if any that have accrued to the Company
		Kaksha Vipul Parekh, (iii) 7,387,562 Equity Shares to Yash Vipul Parekh, and (iv) 9,482,069 Equity Shares to dōTERRA Enterprises, Sàrl				

5. Shares issued out of revaluation reserves

Our Company has not issued any shares out of revaluation reserves since its incorporation.

6. Equity Shares allotted in terms of any schemes of arrangement

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

7. Issue of equity shares at a price lower than the Offer Price in the last year

The Offer Price is [●]. Our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

8. Issue of equity shares under employee stock option schemes

Our Company has not issued any equity shares pursuant to any employee stock option scheme since its incorporation. Our Company does not have any employee stock option scheme as on date of this Draft Red Herring Prospectus.

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

(i) Equity shareholding of the Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold 35,139,364 Equity Shares constituting 75.00% of the issued, subscribed and paid-up Equity Share capital of our Company. Set forth below is the shareholding of our Promoters:

Sr. No.	Name of the Promoters	Pre-Offer		Post-Offer	
		Number of Equity Shares of face value of ₹ 2 each	Percentage of the pre-Offer Equity Share capital (%)	Post-Offer No. of Equity Shares of face value of ₹ 2 each	Percentage of the post-Offer Equity Share capital (%)*
1.	Vipul Parekh	12,451,475	26.58	[●]	[●]
2.	Kaksha Vipul Parekh	5,962,092	12.73	[●]	[●]
3.	Yash Vipul Parekh	6,125,797	13.07	[●]	[●]
4.	Parekh Family Trust	10,600,000	22.62	[●]	[●]
Total		35,139,364	75.00	[●]	[●]

*Subject to finalisation of Basis of Allotment

(ii) Build-up of the Promoters' shareholding in our Company

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth in the tables below:

Nature of transaction	Date of allotment / acquisition/ transfer / transmission and made fully paid up	No. of equity shares allotted / transferred	Face value per Equity Share (₹)	Issue / acquisition/ transfer price per Equity Share (₹)	Nature of consideration	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
(A) Vipul Parekh[#]							
Initial Subscription to the Memorandum of Association [^]	October 3, 1997	100	10	10.00	Cash	Negligible	[●]
Further issue**	June 25, 1998	1,900	10	10.00	Cash	0.02	[●]
Bonus issue of 285,000 Equity Share in proportion of the shares held by the shareholders as on January 1, 2001	January 1, 2001	38,000	10	NA	NA	0.41	[●]
Transfer by way of gift of (i) 30,000 equity shares to Nathalal Parekh HUF and (ii) 6,000 equity shares to Kaksha Vipul Parekh*	February 7, 2002	(36,000)	10	Nil	NA	(0.38)	[●]
Transfer to Kaypex International	December 22, 2005	(1)	10	10.00	Cash	Negligible	[●]
Transfer from Kaypex International	March 30, 2006	1	10	10.00	Cash	Negligible	[●]
Transfer from Sarla Parekh by way of gift *	November 13, 2008	100,000	10	Nil	NA	1.07	[●]
Transmission from Sarla Parekh [#]	December 1, 2010	12,500	10	Nil	NA	0.13	[●]
Transfer of 1 equity share each to Asha Vishandas Munyal, Kanhaiya Enterprises, Niranjana Nagpal, Pride Investment, Santosh Chopra, Vishandas Kaishindas Munyal, Anand Nandla Hinduja, Anilkumar Hinduja, Farooque Khan, Finvest Corporation, Gelaram Company, Govind Ahuja, Hulasiben Shah, Jagdish Bhatija, Jairam Nagpal, Khubchand	December 1, 2010	(23)	10	10.00	Cash	Negligible	[●]

Nature of transaction	Date of allotment / acquisition / transfer / transmission and made fully paid up	No. of equity shares allotted / transferred	Face value per Equity Share (₹)	Issue / acquisition / transfer price per Equity Share (₹)	Nature of consideration	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
Totaram Bhatia HUF, Maheshkumar H Kakwarni HUF, Prasham Engineering Private Limited, Shash Bhaichand Chhogalal and sons, Shipra Fabrics Private Limited, Summan J Gupta, Adarsh Associates and Bliss Enterprises							
Further Issue	February 2, 2011	100,000	10	10.00	Cash	1.07	[●]
Further Issue	February 17, 2012	150,000	10	10.00	Cash	1.60	[●]
Transfer of 1 equity share each from Asha Vishandas Munyal, Kanhaiya Enterprises, Niranjana Nagpal, Pride Investment, Santosh Chopra, Vishandas Kishindas Munyal, Anand Nandla Hinduja, Anilkumar Hinduja, Farooque Khan, Finvest Corporation, Gelaram Company, Govind Ahuja, Hulasiben Shah, Jagdish Bhatija, Jairam Nagpal, Khubchand Totaram Bhatia HUF, Maheshkumar H Kakwarni HUF, Prasham Engineering Private Limited, Shash Bhaichand Chhogalal & Sons, Shipra Fabrics Private Limited, Summan J. Gupta, Adarsh Associates and Bliss Enterprise	March 20, 2012	23	10	10.00	Cash	Negligible	[●]

Nature of transaction	Date of allotment / acquisition/ transfer / transmission and made fully paid up	No. of equity shares allotted / transferred	Face value per Equity Share (₹)	Issue / acquisition/ transfer price per Equity Share (₹)	Nature of consideration	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
Transfer from Sneh Parekh by way of gift *	April 20, 2014	30,000	10	Nil	NA	0.32	[●]
Rights issue to the existing shareholders in proportion of the shares held by them on December 31, 2016 ⁵	January 16, 2017	33,389	10	70.00	Cash	0.36	[●]
Transfer from Kaksha Vipul Parekh by way of gift*	March 24, 2017	30,000	10	Nil	NA	0.32	[●]
Conversion of unsecured loan into equity shares	December 8, 2017	165,000	10	81.00	Other than cash	1.76	[●]
Conversion of unsecured loan into equity shares	March 8, 2018	24,691	10	81.00	Other than cash	0.26	[●]
Equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed, and paid-up share capital of our Company comprising 1,784,858 equity shares of face value of ₹ 10 each was sub-divided into 8,924,290 Equity Shares of face value of ₹ 2 each authorised by our Board pursuant to the resolution at its meeting held on July 13, 2023 and Shareholders pursuant to the special resolution at their meeting held on July 14, 2023. Therefore, 649,580 equity shares held by Vipul Parekh were sub-divided into 3,247,900 Equity Shares.							
Bonus issue in the ratio of 17 Equity Shares for every 4 Equity Shares held	July 14, 2023	13,803,575	2	NA	NA	29.46	[●]
Transfer to Parekh Family Trust by way of gift	October 5, 2023	(10,600,000)	2	Nil	NA	(22.62)	[●]
Transfer from Yash Vipul Parekh by way of gift	October 16, 2023	3,000,000	2	Nil	NA	6.40	[●]
Transfer from Kaksha Vipul Parekh by way of gift	October 17, 2023	3,000,000	2	Nil	NA	6.40	[●]
Sub-total (A)		12,451,475				26.58	[●]
(B) Kaksha Vipul Parekh[#]							
Initial Subscription to the Memorandum of Association [^]	October 3, 1997	100	10	10.00	Cash	Negligible	[●]
Further issue ^{**}	June 25, 1998	1,900	10	10.00	Cash	0.02	[●]
Bonus issue of 285,000 equity shares in proportion of the shares held by the shareholders as on January 1, 2001	January 1, 2001	38,000	10	NA	NA	0.41	[●]
Transfer from Vipul Parekh by way of gift*	February 7, 2002	6,000	10	Nil	NA	0.06	[●]

Nature of transaction	Date of allotment / acquisition/ transfer / transmission and made fully paid up	No. of equity shares allotted / transferred	Face value per Equity Share (₹)	Issue / acquisition/ transfer price per Equity Share (₹)	Nature of consideration	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
Transfer from Sarla Parekh by way of gift *	November 13, 2008	55,000	10	Nil	NA	0.59	[●]
Transmission from Sarla Parekh [#]	December 1, 2010	6,250	10	Nil	NA	0.07	[●]
Further issue	February 17, 2012	100,000	10	10.00	Cash	1.07	[●]
Transfer from Sneh Parekh by way of gift*	April 20, 2014	30,000	10	Nil	NA	0.32	[●]
Rights issue to the existing shareholders in proportion of the shares held by them on December 31, 2016 ⁵	January 16, 2017	19,979	10	70.00	Cash	0.21	[●]
Transfer to Vipul Parekh by way of gift*	March 24, 2017	(30,000)	10	Nil	NA	(0.32)	[●]
Conversion of unsecured loan into equity shares	December 8, 2017	60,000	10	81.00	Other than cash	0.64	[●]
Conversion of unsecured loan into equity shares	March 8, 2018	18,519	10	81.00	Other than cash	0.20	[●]
Transfer from Vipul Nathalal Parekh HUF by way of gift*	May 12, 2021	35,665	10	Nil	NA	0.38	[●]
Equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed, and paid-up share capital of our Company comprising 1,784,858 equity shares of face value of ₹ 10 each was sub-divided into 8,924,290 Equity Shares of face value of ₹ 2 each authorised by our Board pursuant to the resolution at its meeting held on July 13, 2023 and Shareholders pursuant to the special resolution at their meeting held on July 14, 2023. Therefore, 341,413 equity shares held by Kaksha Vipul Parekh were sub-divided into, 1,707,065 Equity Shares.							
Bonus issue in the ratio of 17 Equity Shares for every 4 Equity Shares held	July 14, 2023	7,255,027	2	NA	NA	15.48	[●]
Transfer to Vipul Parekh by way of gift	October 17, 2023	(3,000,000)	2	Nil	NA	(6.40)	[●]
Sub-total (B)		5,962,092				12.73	[●]
(C) Yash Vipul Parekh[#]							
Further issue**	June 25, 1998	500	10	10.00	Cash	0.01	[●]
Bonus issue of 285,000 equity shares in proportion of the shares held by the shareholders as on January 1, 2001	January 1, 2001	9,500	10	NA	NA	0.10	[●]
Transmission from Sarla Parekh [#]	December 1, 2010	6,250	10	Nil	NA	0.07	[●]

Nature of transaction	Date of allotment / acquisition/ transfer / transmission and made fully paid up	No. of equity shares allotted / transferred	Face value per Equity Share (₹)	Issue / acquisition/ transfer price per Equity Share (₹)	Nature of consideration	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
Further issue	February 2, 2011	200,000	10	10.00	Cash	2.13	[●]
Further issue	February 17, 2012	50,000	10	10.00	Cash	0.53	[●]
Rights issue to the existing shareholders in proportion of the shares held by them on December 31, 2016 ⁵	January 16, 2017	22,421	10	70.00	Cash	0.24	[●]
Conversion of unsecured loan into equity shares	December 8, 2017	21,914	10	81.00	Other than cash	0.23	[●]
Conversion of unsecured loan into equity shares	March 8, 2018	18,519	10	81.00	Other than cash	0.20	[●]
Transfer from Vipul Parekh HUF by way of gift*	May 12, 2021	18,546	10	Nil	NA	0.20	[●]
Transfer of 1 equity share by way of gift each to Vruta Yash Parekh, Prisha Yash Parekh and Yash Vipul Parekh (HUF)	July 4, 2023	(3)	10	Nil	NA	Negligible	[●]
Equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed, and paid-up share capital of our Company comprising 1,784,858 equity shares of face value of ₹ 10 each was sub-divided into 8,924,290 Equity Shares of face value of ₹ 2 each authorised by our Board pursuant to the resolution at its meeting held on July 13, 2023 and Shareholders pursuant to the special resolution at their meeting held on July 14, 2023. Therefore, 347,647 equity shares held by Yash Vipul Parekh were sub-divided into 1,738,235 Equity Shares.							
Bonus issue in the ratio of 17 Equity Shares for every 4 Equity Shares held	July 14, 2023	7,387,562	2	NA	NA	15.77	[●]
Transfer to Vipul Parekh by way of gift	October 16, 2023	(3,000,000)	2	Nil	NA	(6.40)	[●]
Sub-total (C)		6,125,797				13.07	[●]
(D) Parekh Family Trust							
Transfer from Vipul Parekh by way of gift	October 5, 2023	10,600,000	2	Nil	NA	22.62	[●]
Sub-total (D)		10,600,000				22.62	[●]
Total (A+B+C+D)		35,139,364				75.00	

[#] Also the Promoter Selling Shareholder.

[^] Our Company was incorporated on October 3, 1997. The date of subscription to the Memorandum of Association is September 12, 1997 and the allotment of equity shares pursuant to such subscription was taken on record by our Board on October 4, 1997.

^{*} Our Company is unable to trace gift deeds in relation to these transfers. We have accordingly relied on Form SH-4 and board resolutions noting the transfer of shares, and our statutory share transfer register to track details of such transfers. For further details, see "Risk Factors – Internal Risk Factors – 41. We are unable to trace some of our historical corporate records including in relation to certain allotments made by our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation." on page 55.

[#] Our Company is unable to trace transmission request form in relation to the transmission. We have accordingly relied on the will executed

by Sarla Parekh for transmission of shares and board resolutions noting the transmission of shares, and our statutory share transfer register to track details of such transmission. For further details, see “Risk Factors – Internal Risk Factors – 41. We are unable to trace some of our historical corporate records including in relation to certain allotments made by our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation.” on page 55.

“Our Company is unable to trace Form-2 filed in relation to the allotment. We have accordingly relied on the board resolution passed for allotment of equity shares. For further details, see “Risk Factors – Internal Risk Factors – 41. We are unable to trace some of our historical corporate records including in relation to certain allotments made by our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation.” on page 55.

“Our Company is unable to trace letters of offer issued to the shareholders and application forms received from the applicants for allotment in relation to the rights issue. We have accordingly relied on the board resolution passed for allotment of equity shares and Form PAS-3 filed with the RoC. For further details, see “Risk Factors – Internal Risk Factors – 41. We are unable to trace some of our historical corporate records including in relation to certain allotments made by our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation.” on page 55.

- (iii) All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.
- (iv) All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.
- (v) None of the Equity Shares held by our Promoters are pledged or otherwise encumbered as on the date of this Draft Red Herring Prospectus. Further, none of the Equity Shares being offered for sale through Offer for Sale are pledged or otherwise encumbered as on the date of this Draft Red Herring Prospectus.
- (vi) **Equity shareholding of the members of the Promoter Group (other than the Promoters) and the Investor Selling Shareholder**

The details regarding the equity share capital of the members of the Promoter Group (other than the Promoters) and the Investor Selling Shareholder are set forth below:

Sr. No.	Name of the member of the Promoter Group	Pre-Offer		Post-Offer	
		Number of Equity Shares of face value of ₹ 2 each	Percentage of the pre-Offer Equity Share capital (%)	Post-Offer No. of Equity Shares of face value of ₹ 2 each	Percentage of the post-Offer Equity Share capital (%)*
Promoter Group (A)					
1.	Vruta Yash Parekh	5	Negligible	[●]	[●]
2.	Prisha Yash Parekh	5	Negligible	[●]	[●]
3.	Yash Vipul Parekh (HUF)	5	Negligible	[●]	[●]
Total (A)		15	Negligible	[●]	[●]
Investor Selling Shareholder (B)					
1.	dōTERRA Enterprises, Sàrl	11,713,144	25.00	[●]	[●]
Total (B)		11,713,159	25.00	[●]	[●]

*Subject to basis of allotment.

Except as disclosed below and in “- Details of Shareholding of our Promoters and members of the Promoter Group in the Company - Build-up of Promoter’s shareholding in our Company” on page 94, there has been no secondary transactions of Equity Shares by our Promoters and the members of the Promoter Group and the Selling Shareholders, as on the date of this Draft Red Herring Prospectus:

The details regarding the build-up of the equity shareholding of the members of the Promoter Group (other than the Promoters) and the Investor Selling Shareholder are set forth below:

Nature of transaction	Date of allotment / acquisition / transfer / transmission and made fully paid up	No. of equity shares allotted / transferred	Face value per Equity Share (₹)	Issue / acquisition / transfer price per Equity Share (₹)	Nature of consideration	Percentage of the pre-Offer capital (%)	Percentage of the post- Offer capital (%)
Promoter group							
(A) Vruta Yash Parekh							

Nature of transaction	Date of allotment / acquisition / transfer / transmission and made fully paid up	No. of equity shares allotted / transferred	Face value per Equity Share (₹)	Issue / acquisition / transfer price per Equity Share (₹)	Nature of consideration	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
Transfer from Yash Vipul Parekh by way of gift	July 4, 2023	1	10	Nil	NA	Negligible	[●]
Equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed, and paid-up share capital of our Company comprising 1,784,858 equity shares of face value of ₹ 10 each was sub-divided into 8,924,290 Equity Shares of face value of ₹ 2 each authorised by our Board pursuant to the resolution at its meeting held on July 13, 2023 and Shareholders pursuant to the special resolution at their meeting held on July 14, 2023. Therefore, 1 equity share held by Vruta Yash Parekh was sub-divided into 5 Equity Shares.							
Sub-total (A)		5				Negligible	[●]
(B) Prisha Yash Parekh							
Transfer from Yash Vipul Parekh by way of gift	July 4, 2023	1	10	Nil	NA	Negligible	[●]
Equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed, and paid-up share capital of our Company comprising 1,784,858 equity shares of face value of ₹ 10 each was sub-divided into 8,924,290 Equity Shares of face value of ₹ 2 each authorised by our Board pursuant to the resolution at its meeting held on July 13, 2023 and Shareholders pursuant to the special resolution at their meeting held on July 14, 2023. Therefore, 1 equity share held by Prisha Yash Parekh was sub-divided into 5 Equity Shares.							
Sub-total (B)		5				Negligible	[●]
(C) Yash Vipul Parekh (HUF)							
Transfer from Yash Vipul Parekh by way of gift	July 4, 2023	1	10	Nil	NA	Negligible	[●]
Equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed, and paid-up share capital of our Company comprising 1,784,858 equity shares of face value of ₹ 10 each was sub-divided into 8,924,290 Equity Shares of face value of ₹ 2 each authorised by our Board pursuant to the resolution at its meeting held on July 13, 2023 and Shareholders pursuant to the special resolution at their meeting held on July 14, 2023. Therefore, 1 equity share held by Yash Vipul Parekh (HUF) was sub-divided into 5 Equity Shares.							
Sub-total (C)		5				Negligible	[●]
Investor Selling Shareholder							
dōTERRA Enterprises, Sàrl							
Preferential Issue	May 17, 2019	446,215	10	1,021	Cash	4.76	
Equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed, and paid-up share capital of our Company comprising 1,784,858 equity shares of face value of ₹ 10 each was sub-divided into 8,924,290 Equity Shares of face value of ₹ 2 each authorised by our Board pursuant to the resolution at its meeting held on July 13, 2023 and Shareholders pursuant to the special resolution at their meeting held on July 14, 2023. Therefore, 446,215 equity shares held by dōTERRA Enterprises, Sàrl were sub-divided into 2,231,075 Equity Shares.							
Bonus issue in the ratio of 17 Equity Shares for every 4 Equity Shares held	July 14, 2023	9,482,069	2	NA	NA	20.24	[●]
Sub-total (D)		11,713,144				25.00	[●]
Total (A+B+C+D)		11,713,159				25.00	

10. Details of minimum Promoters' contribution lock-in

Pursuant to Regulation 14 and Regulation 16 of 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 considered as minimum promoters' contribution and locked-in for a period of 18 months as minimum promoter's contribution from the date of Allotment (**Minimum Promoters' Contribution**) in the Offer and our Promoters' shareholding in excess of 20% shall be locked-in for a period of six months from the date of Allotment.

Our Promoters have given consent to include such number of Equity Shares held by them, in aggregate, as may

constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of 18 months from the date of Allotment are set forth in the below table:

Name of Promoter	No. of Equity Shares held	No. of Equity Shares locked-in*	Date up to which Equity Shares are subject to lock-in	Date of allotment / transfer [#]	Face value per Equity Share (₹)	Issue / acquisition price per Equity Share (₹)	Nature of transaction	Pre-Offer Equity Share capital (in %)	Percentage of post-Offer paid-up capital (%)
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at Prospectus stage.

*Subject to finalization of Basis of Allotment.

[#]Equity Shares were fully paid-up on the date of allotment/acquisition.

Our Company undertakes that the Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. In this regard, we confirm that:

- i. The Equity Shares offered for Promoters' Contribution do not and shall not include Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;
- ii. The Promoters' Contribution does not include any Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- iii. Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm; and
- iv. The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge or any other form of encumbrance.
- v. The Equity Shares held by our Promoters and offered as part of the Minimum Promoters' Contribution are not subject to any pledge or any other encumbrance.

11. Details of Equity Shares held by other Shareholders which will be locked-in for six months or any other period as may be prescribed under applicable law

In terms of Regulation 17 of the SEBI ICDR Regulations, except for:

- i. the Promoters' Contribution and any Equity Shares held by our Promoters in excess of Promoters' Contribution, which shall be locked in as above; and
- ii. the Offered Shares successfully transferred by the Promoter Selling Shareholder pursuant to the Offer for Sale;

the entire pre-Offer Equity Share capital of our Company, shall, unless otherwise permitted under the SEBI ICDR Regulations, be locked in for a period of six months from the date of Allotment in the Offer, or any other period as may be prescribed under applicable law. In terms of Regulation 17(c) of the SEBI ICDR Regulations, Equity

Shares held by a venture capital fund or alternative investment fund of category I or category II or a foreign venture capital investor shall not be locked-in for a period of six months from the date of Allotment, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such shareholders.

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

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations, may be transferred amongst our Promoters or any member of the Promoter Group or to any new promoter, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer, may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the provisions of the Takeover Regulations.

In terms of Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that such pledge of the Equity Shares is one of the terms of the sanctioned loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

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

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

13. *Sales or purchases of Equity Shares or other specified securities of our Company by our Promoters, members of our Promoter Group and/or our Directors and their relatives during the six months immediately preceding the date of this Draft Red Herring Prospectus*

None of our Promoters, members of our Promoter Group, our Directors, directors of Promoters or their relatives have sold or purchased any Equity Shares of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus.

14. Shareholding Pattern of our Company

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares of face value of ₹ 2 held (IV)	No. of partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of Equity Shares (calculate as per SCRR) (VIII) As a % of (A+B+C2)	No. of Voting Rights held in each class of securities (IX)				No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	No. of locked-in Equity Shares		No. of Equity Shares pledged or otherwise encumbered		No. of Equity Shares held in dematerialized form (XIV)
								No. of Voting Rights						(XII)		(XIII)		
								Class (Equity Shares)	Class (others)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoters and Promoter Group	7	35,139,379	-	-	35,139,379	75.00%	35,139,379	-	35,139,379	75.00%	-	-	-	-	-	-	35,139,379
(B)	Public	1	11,713,144	-	-	11,713,144	25.00%	11,713,144	-	11,713,144	25.00%	-	-	-	-	-	-	11,713,144
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A+B+C)		8	46,852,523	-	-	46,852,523	100.00%	46,852,523	-	46,852,523	100.00%	-	-	-	-	-	-	46,852,523

15. Other details of Shareholding of our Company

As on the date of the filing of this Draft Red Herring Prospectus, our Company has eight equity shareholders.

- a. Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value of ₹ 2 each	Percentage of the pre-Offer Equity Share capital (%)
1.	Vipul Parekh	12,451,475	26.58
2.	dōTERRA Enterprises, Sàrl	11,713,144	25.00
3.	Parekh Family Trust	10,600,000	22.62
4.	Yash Vipul Parekh	6,125,797	13.07
5.	Kaksha Vipul Parekh	5,962,092	12.73
Total		46,852,508	100.00

- b. Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of 10 days prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value of ₹ 2 each	Percentage of the pre-Offer Equity Share capital (%)
1.	Vipul Parekh	12,451,475	26.58
2.	dōTERRA Enterprises, Sàrl	11,713,144	25.00
3.	Parekh Family Trust	10,600,000	22.62
4.	Yash Vipul Parekh	6,125,797	13.07
5.	Kaksha Vipul Parekh	5,962,092	12.73
Total		46,852,508	100.00

- c. Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, as of one year prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value of ₹ 2 each	Percentage of the pre-Offer Equity Share capital (%)
1.	Vipul Parekh	12,451,475	26.58
2.	dōTERRA Enterprises, Sàrl	11,713,144	25.00
3.	Parekh Family Trust	10,600,000	22.62
4.	Yash Vipul Parekh	6,125,797	13.07
5.	Kaksha Vipul Parekh	5,962,092	12.73
Total		46,852,508	100.00

- d. Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of two years prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of equity shares of face value of ₹ 10 each	Percentage of the pre-Offer Equity Share capital (%)
1.	Vipul Parekh	649,580	36.39
2.	dōTERRA Enterprises, Sàrl	446,215	25.00
3.	Yash Vipul Parekh	347,650	19.48
4.	Kaksha Vipul Parekh	341,413	19.13
Total		1,784,858	100.00

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

17. Pre-IPO Placement

Our Company, in consultation with the Book Running Lead Manager, may consider a Pre-IPO Placement, for an amount aggregating up to ₹ 350.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Manager. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus. Our Company confirms that the details pertaining to the price and the names of the allottees pursuant to the Pre-IPO Placement (if undertaken) shall be disclosed through a public advertisement. In the event the Pre-IPO Placement is undertaken, a confirmation in this regard will be included in the “*Material Contracts and Material Documents for Inspection*” section of the Red Herring Prospectus.

18. Except for specified securities to be allotted pursuant to the Pre-IPO Placement which our Company may undertake in consultation with the BRLM, which will be completed prior to Bid/Offer Opening Date and the allotment of Equity Shares pursuant to Fresh Issue, 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 the Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for the Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.

19. Details of shareholding of our Directors, Key Managerial Personnel and Senior Management

Other than as disclosed under “*Our Management - Shareholding of Directors*”, “*Our Management - Shareholding of Key Managerial Personnel and Senior Management*” on pages 250 and 261 respectively, none of our Directors, Key Managerial Personnel and Senior Management hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

20. Our Company, our Directors and the BRLM have not entered into any buy-back arrangements for the purchase of Equity Shares.
21. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. All Equity Shares transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.
22. Neither the BRLM or any associate of the BRLM (as defined under the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.
23. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus.
24. No person connected with the Offer, including, but not limited to, our Company, the Promoters, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.
25. Except for the allotment of Equity Shares pursuant to the (i) Fresh Issue and (ii) Pre-IPO Placement, if any, there will be no further issue of specified securities whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

26. The BRLM, and any person related to the BRLM or the Syndicate Members, cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associates of the BRLM, or insurance companies promoted by entities which are associates of the BRLM, or AIFs sponsored by entities which are associates of the BRLM, or a FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLM.
27. The Book Running Lead Manager and its associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus. None of the shareholders of our Company are directly or indirectly related to the Book Running Lead Manager or its associates.
28. The BRLM and its associates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
29. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
30. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
31. All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.
32. None of our Promoters or the members of our Promoter Group will participate in the Offer except to the extent of their participation in the Offer for Sale.

SECTION IV: PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] Equity Shares of face value of ₹ 2 each, aggregating up to ₹ 1,750.00 million by our Company and an Offer for Sale of up to 8,924,274 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million by the Selling Shareholders. For details, see “*Summary of the Offer Document*” and “*The Offer*” beginning on pages 21 and 75, respectively.

Offer for Sale

Each of the Selling Shareholders shall be entitled to their respective portion of the proceeds of the Offer for Sale, after deducting its portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale, and accordingly, the proceeds from the Offer for Sale will not form a part of the Net Proceeds.

Fresh Issue

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

Particulars	Estimated amount (₹ in million)
Gross proceeds from the Fresh Issue*^	1,750.00
(Less) Offer related expenses to be borne by our Company#^	[●]
Net Proceeds from the Fresh Issue#^	[●]

*Subject to full subscription of the Fresh Issue component

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

^ Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

Requirements of funds and utilization of Net Proceeds

The Net Proceeds of the Fresh Issue are proposed to be utilised towards funding of the following objects:

1. Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiary, Krystal Ingredients Private Limited; and
2. General corporate purposes.

(collectively, referred to herein as “**Objects**”)

In addition to the aforementioned Objects, our Company will receive the benefits of listing of its Equity Shares on the Stock Exchanges including enhancement of our Company’s brand name and creating a public market for our Equity Shares in India.

The main objects and the objects incidental and ancillary to the main objects of our MoA enables our Company (i) to undertake our existing business activities; (ii) to undertake activities for which funds are being raised by our Company through the Fresh Issue; and (iii) to undertake the activities for which loans were raised and which are proposed to be prepaid or repaid in full or in part from the Net Proceeds and the activities for which funds are earmarked towards general corporate purposes. The main objects and objects incidental and ancillary to the main objects set out in the memorandum of association of our Subsidiary, Krystal Ingredients Private Limited, enables it to undertake the activities towards which the loans proposed to be repaid from the Net Proceeds were utilised and activities proposed to be funded from the net proceeds.

Utilization of Net Proceeds

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

Sr. No.	Particulars	Estimated Amount* [^] (₹ in million)
1	Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiary, Krystal Ingredients Private Limited; and	1,400.00
2.	General Corporate Purposes	●
	Total*	●

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

[^] Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

Utilisation of Net Proceeds and Schedule of Implementation and Deployment

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

(₹ in million)			
Particulars	Total estimated cost	Amount which will be financed from Net Proceeds	Estimated Utilization of Net Proceeds in Fiscal 2026
Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiary, Krystal Ingredients Private Limited; and	1,400.00	1,400.00	1,400.00
General Corporate Purposes ⁽¹⁾	●	●	●
Net Proceeds ⁽²⁾	●	●	●

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

(2) Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

The funding requirements and deployment of the Net Proceeds as described herein are based on various factors, our current business plan, management estimates, current circumstances of our business and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution. See “**Risk Factors – Internal Risk Factors – 55. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency.**” on page 63. We may have to revise our funding requirements and deployment of the Net Proceeds from time to time on account of various factors, such as financial and market conditions, business and strategy, competitive environment and interest or exchange rate fluctuations, incremental preoperative expenses, taxes and duties, interest and finance charges, working capital margin, regulatory costs, and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For details, see “**Risk Factors – Internal Risk Factors – 56. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.**” on page 63.

Subject to applicable law, in case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe

that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. In the event that the estimated utilisation of the Net Proceeds in a scheduled Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Fiscal Year, 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 towards general corporate purposes, to the extent that the total amount to be utilised towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations.

Means of finance

The fund requirements towards the Objects of the Offer are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and internal accruals as required under the SEBI ICDR Regulations. Subject to applicable law, if the actual utilisation towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations.

Details of objects of the Offer to be funded from Fresh Issue proceeds

1. Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiary, Krystal Ingredients Private Limited

Our Company and certain of our Subsidiaries have entered into various financing arrangements with banks, such as term loans and working capital facilities, including fund based and non-fund-based borrowings. For further information on the financial indebtedness of our Company, see “*Financial Indebtedness*” beginning on page 357. As on October 31, 2024, the total borrowings under the various financing arrangements of our Company and our Subsidiaries aggregated to ₹ 1,535.83 million.

Our Company proposes to utilise an estimated amount of ₹ 1,400.00 million from the Net Proceeds towards full or part repayment and/or prepayment of all or a portion of the principal amount certain loans availed by our Company and/or our Subsidiary, Krystal Ingredients Private Limited (“**Krystal**”) and the accrued interest thereon. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges along with interest and other related costs as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds, as per the requirements of the Company. If the Net Proceeds are insufficient for making payments for such pre-payment penalties or premiums or interest, such excessive amount shall be met from our internal accruals.

In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities. The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements will be based on various factors, including (i) costs, expenses and charges relating to the facility including interest rates involved; (ii) presence of onerous terms and conditions under the facility; (iii) ease of operation of the facility; (iv) levy of any prepayment or repayment penalties and the quantum thereof; (v) provisions of any law, rules, regulations governing such borrowings; (vi) any conditions attached to the borrowings restricting our Company’s ability to prepay the borrowings and time taken to fulfil such requirements, if any; (vii) mix of credit facilities provided by lenders; (viii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan and (viii) receipt of consents for prepayment or repayment from respective lenders.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company and our Subsidiary, Krystal may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company and our Subsidiary, Krystal with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Accordingly, we may utilise the Net Proceeds for part or full prepayment of any such refinanced facilities or repayment of any additional facilities obtained by us. We believe that such repayment will help reduce our

outstanding indebtedness, debt servicing costs and improve our debt to equity ratio and enable utilization of internal accruals for further investment in business growth and expansion. In addition, we believe that the improved debt to equity ratio will enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business. Additionally, we believe that the leverage capacity of our Company and Subsidiaries will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

Further, owing to the nature of our business and borrowings, our Company and our Subsidiary, Krystal may also avail additional borrowings after the date of this Draft Red Herring Prospectus and may also draw down further funds under existing loans from time to time. Accordingly, in case any of the below loans are prepaid or further drawn down prior to the completion of the Offer, we may utilize the Net Proceeds towards repayment of such additional indebtedness. In light of the above, if at the time of filing the Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down or if the terms of new loans are more onerous than the older loans or if the limits under the working capital borrowings are increased, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company and our Subsidiary, Krystal.

The following tables provides details of certain borrowings availed by our Company and Subsidiary, Krystal as on October 31, 2024, out of which we propose to pre-pay or repay, in full or in part, up to an amount aggregating to ₹ 1,400.00 million from the Net Proceeds:

Details of Borrowings availed by our Company

Sr. No.	Name of the lender	Date of sanction letter	Nature of borrowing	Tenor and Repayment Schedule*	Principal amount sanctioned (in ₹ million) as of October 31, 2024	Balance amount outstanding as on October 31, 2024 (₹ in million)	Rate of Interest	Prepayment conditions/ Penalty	Purpose of the borrowing	Whether funds were utilised for capital expenditure
1.	HDFC Bank	August 29, 2024	Working capital loan	365 days with annual roll-over	400.00	149.14	REPO + 1.75% = 8.20%	Nil	To meet working capital requirements	No
2.	Axis Bank	September 27, 2024	Working capital loan	365 days with annual roll-over	660.00	198.81	REPO + 1.60% = 8.10%	Nil	To meet working capital requirements	No
3.	Citi Bank	August 20, 2024	Working capital loan	365 days with annual roll-over	330.00	306.28	1 Month T Bill + 1.35% = 7.75	Nil	To meet working capital requirements	No
4.	ICICI Bank	October 28, 2024	Working capital loan	365 days with annual roll-over	200.00	183.99	REPO + 1.35% = 7.75%	Nil	To meet working capital requirements	No
5.	DBS Bank	October 11, 2024	Working capital loan	365 days with annual roll-over	200.00	108.77	REPO + 1.50% = 8.00%	Nil	To meet working capital requirements	No
Total					1,790.00	946.99				

*Company primarily uses packing credit and post shipment credit, which is a sub-limit of cash credit and has a tenor of 180 days.

Details of Borrowings availed by our Subsidiary, Krystal Ingredients Private Limited

Sr. No.	Name of the lender	Date of sanction letter	Nature of borrowing	Tenor and Repayment Schedule	Principal amount sanctioned (in ₹ million) as of October 31, 2024	Balance amount outstanding as on October 31, 2024 (₹ in million)	Rate of Interest	Prepayment conditions/ Penalty	Purpose of the borrowing	Whether funds were utilised for capital expenditure
1.	Axis Bank	September 14, 2023	Term Loan	Repayable over a period of 80 months (including 11 months moratorium period)	683.00	586.86	Repo + 1.75% (presently 8.25% p.a.)	Nil	Plant setup	Yes
2.	Axis Bank	September 14, 2023	Cash credit and working capital demand loan	On demand	200.00	- [^]	As per Mutual agreement*	Nil	To meet working capital requirements	No
Total					883.00	586.86				

[^] The amount was unutilised as on October 31, 2024.

* Rate of interest will be ascertained when limit/facility will be drawn.

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has obtained a certificate dated December 28, 2024 from M/s Chhajed & Doshi, Chartered Accountants, Statutory Auditors of our Company certifying that the borrowings of our Company and our Subsidiary, Krystal have been utilised towards the purposes for which such borrowings were availed.

For the purposes of the Offer, our Company has intimated and has obtained necessary consents from its lenders, as is respectively required under the relevant facility documentation for undertaking activities in relation to this Offer, including consequent actions, such as change in the capital structure, change in shareholding pattern of our Company, amendment to the Articles of Association of our Company, etc. For further details, please see “*Risk Factors – Internal Risk Factors – 39. Our inability to meet our obligations under our debt financing arrangements could adversely affect our business, results of operations and cash flows. Financing agreements includes certain conditions and restrictive covenants. This may limit our ability to pursue business and limit flexibility in planning for, or reacting to, changes in our business or industry.*” on page 53.

Further, as on date of this Draft Red Herring Prospectus, our Company has obtained all applicable consents from our lenders, in writing, for the purpose of the Offer.

Out of the ₹ 1,400.00 million proposed to be deployed for repayment of borrowings, a portion of the proceeds will be used by our wholly owned Subsidiary, Krystal, to repay a portion of its outstanding borrowings. Our Company shall make investment in the wholly owned Subsidiary, Krystal in the form of equity or debt including inter-corporate loans, non-convertible debentures or in any other manner as may be decided by our Board.

General corporate purposes

Our Company intends to deploy any balance left out of the Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, as approved by our management from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

Such general corporate purposes may include, but are not restricted to, the following:

- (i) strategic initiatives;
- (ii) funding growth opportunities;
- (iii) strengthening marketing capabilities;
- (iv) meeting ongoing general corporate contingencies;
- (v) meeting expenses incurred in the ordinary course of business; and
- (vi) any other purpose, as may be approved by the Board or duly appointed committee, from time to time, subject to compliance with applicable law.

In the event our Company is unable to utilise the Net Proceeds towards other Objects for any of the reasons as aforementioned, our Company may at its discretion utilise such Net Proceeds towards general corporate purposes, provided that the aggregate amount deployed towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and the business requirements of our Company, from time to time. Our Company’s management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount(s) in the subsequent Fiscal.

Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Issue Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly constituted committee thereof.

In accordance with 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.

Offer Related Expenses

The Offer expenses are estimated to be approximately ₹ [●] million. The Offer expenses comprises, among other things, listing fees, underwriting fee, selling commission and brokerage, fees payable to the Book Running Lead Manager, legal advisors, Registrar to the Offer, Banker(s) to the Offer, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, fees payable to the Sponsor Banks for Bids made by UPI Bidders using UPI Mechanism, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Except for (i) listing fees and expenses for any corporate advertisements consistent with past practice of the Company (not including expenses relating to marketing and advertisements undertaken in connection with the Offer), which shall be borne solely by the Company and (ii) the stamp duty payable on transfer of Offered Shares which shall be borne by the respective Selling Shareholders, the Company and the Selling Shareholders agree to share the costs and expenses (including all applicable taxes) directly attributable to the Offer (including fees and expenses of the Book Running Lead Manager, legal counsel and other intermediaries, advertising and marketing expenses, printing, underwriting commission, procurement commission (if any), brokerage and selling commission and payment of fees and charges to various regulators in relation to the Offer) in proportion to the number of Equity Shares issued and Allotted by the Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale. The Company agrees to advance the cost and expenses of the Offer and the Company will be reimbursed, severally and not jointly, by each of the Selling Shareholders for their respective proportion of such costs and expenses upon successful completion of the Offer. The Selling Shareholders agree that such payments, expenses and taxes, will be deducted from the proceeds from the sale of Offered Shares, in accordance with Applicable Law and as disclosed in the Offer Documents, in proportion to its respective Offered Shares. Notwithstanding anything contained herein or in any other documentation relating to the Offer, it is clarified that, in the event that the Offer is withdrawn or not completed for any reason, all the costs and expenses (including all applicable taxes) directly attributed to the Offer shall be exclusively borne by the Company and the Selling Shareholders in a proportionate manner including but not limited to, the fees and expenses of the Book Running Lead Manager and the legal counsels in relation to the Offer, except as may be prescribed by SEBI or any other regulatory authority.

The break-up for the estimated Offer expenses are as follows:

Activity	Estimated expenses ⁽¹⁾ (₹ in million)	As a % of total estimated Offer related expenses ⁽¹⁾	As a % of Offer size ⁽¹⁾
Fees payable to the BRLM and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/ processing fee for SCSBs and Bankers to the Issue and fees payable to the Sponsor Bank(s) for Bids made by UPI Bidders. Brokerage, selling commission and bidding charges for the members of the Syndicate, Registered Brokers, RTAs and CDPs ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Fees payable to the parties to the Offer	[●]	[●]	[●]
Others:			
Listing fees, SEBI fees, BSE and NSE processing fees, book-building software fees, and other regulatory expenses	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]

Activity	Estimated expenses ⁽¹⁾ (₹ in million)	As a % of total estimated Offer related expenses ⁽¹⁾	As a % of Offer size ⁽¹⁾
Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

⁽¹⁾ The Offer expenses will be incorporated in the Prospectus on finalization of the Offer Price.

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

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

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

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE. No additional processing fees shall be payable to the SCSBs on the applications directly procured by them.

⁽³⁾ No processing fees shall be payable by the Selling Shareholders to the SCSBs on the applications directly procured by them.

Processing / uploading fees payable to the SCSBs on the portion for RIIs and Non-Institutional Investors 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 RIIs	/●] % of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Investors	/●] % of the Amount Allotted* (plus applicable taxes)

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

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

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

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

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

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

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

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

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

* Based on valid applications

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

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

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

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Bridge financing facilities

We have not availed bridge financing from any bank or financial institution which are required to be repaid from the Net Proceeds.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised, require appraisal from, or have been appraised by, any bank/ financial institution/ any other agency, in accordance with applicable law. For details, see “*Risk Factors – Internal Risk Factors – 55. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency.*” on page 63.

Monitoring utilization of funds from the Offer

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with the RoC, we will appoint a SEBI registered credit rating agency as a monitoring agency to monitor the utilization of the Gross Proceeds as the size of the Fresh Issue exceeds ₹ 1,000.00 million. Our Company will provide details/ information/ certifications on the utilisation of Gross Proceeds obtained from our Statutory Auditors to the Monitoring Agency. Our Audit Committee and the monitoring agency will monitor the utilisation of the Gross Proceeds (including in relation to the utilisation of the Gross Proceeds towards the general corporate purposes) and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations on a quarterly basis, until such time as the Gross Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. The quarterly report shall provide item by item description for all the expense heads under each Object of the Offer. Our Company will disclose the utilisation of the Gross Proceeds, including interim use under a separate head in its balance sheet for such Fiscals, as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Gross Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such unutilised Gross Proceeds.

Pursuant to the Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Gross Proceeds. The Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Gross Proceeds of the Offer from the Objects as stated above. The information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director’s report, after placing the same before the Audit Committee. We will disclose the utilization of the Gross Proceeds under a separate head along with details in our balance sheet(s) until such time as the Gross Proceeds remain unutilized clearly specifying the purpose for which such Gross Proceeds have been utilized.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects unless our Company is authorised to do so by way of a special resolution passed in a general meeting of its Shareholders or through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution, shall specify the prescribed details and be published in accordance with the Companies Act, 2013. Our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and provisions of Regulation 59 and Schedule XX of the SEBI Regulations. For further details see, “*Risk Factors – Internal Risk Factors – 56. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.*” on page 63.

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Selling Shareholders, no part of the Net Proceeds will be paid to our Promoters, members of the Promoter Group, Group Companies, Directors, our Key Managerial Personnel or Senior Management. Our Company has neither entered into nor has planned to enter into any arrangement/ agreements with our Promoters, members of the Promoter Group, Directors, our Key Managerial Personnel, our Senior Management and/or our Group Companies in relation to the utilization of the Net Proceeds. Further, there are no material existing or anticipated interest of such individuals and entities in the Objects of the Offer except as set out above.

BASIS FOR THE OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares of face value of ₹ 2 each 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 ₹ 2 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price. Bidders should also see “*Risk Factors*”, “*Our Business*”, “*Restated Consolidated Financial Information*”, and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 29, 208, 270 and 329, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that some of the qualitative factors and our strengths which form the basis for computing the Offer Price are:

- Established manufacturer of specialty ingredients, including, essential oils, aroma chemicals and Value-Added Derivatives in India;
- Wide product range with continuous product development and R&D capabilities;
- Long standing relationship with well-established customers in India and globally;
- Strategically located Manufacturing Facilities with focus on sustainability; and
- Experienced Promoters and management team.

For further details, see “*Our Business – Competitive Strengths*” on page 212.

Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Consolidated Financial Information prepared in accordance with the SEBI ICDR Regulations. For further details, see “*Restated Consolidated Financial Information*” beginning on page 270.

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 for continuing operations (“EPS”) (face value of each Equity Share in ₹)

Fiscal/Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
2024	10.69	10.69	3
2023	9.53	9.53	2
2022	6.66	6.66	1
Weighted Average for the above three Fiscals	9.63	9.63	-
September 30, 2024*	3.91	3.91	-

*Not annualized.

Notes:

- i) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights*
- ii) *Basic Earnings per Equity Share (₹) is calculated as restated profit for the year/ period attributable to equity holders of our Company divided by weighted average number of Equity Shares outstanding during the year/ period.*
- iii) *Diluted Earnings per Equity Share (₹) is calculated as restated profit for the period/year attributable to equity holders of our Company divided by weighted average number of Equity Shares outstanding during the period/year considered for deriving basic earnings per share and the weighted average number of Equity Shares during the year/ period as adjusted for the effects of all dilutive potential Equity Shares during the year/ period.*
- iv) *EPS has been calculated in accordance with the Indian Accounting Standard 33 ‘Earnings per share’ notified under the Companies (Indian Accounting Standards) Rules, 2015.*
- v) *The figures disclosed above for the period ended September 30, 2024 and financial years ended March 31, 2024, 2023 and 2022 are based on the Restated Consolidated Financial Information of the Company.*

- vi) The face value of Equity Shares of the Company is ₹ 2. Equity Shares of face value of ₹ 10 each were sub-divided into Equity Shares of face value of ₹ 2 each authorized by the Board pursuant to the resolution at its meeting held on July 14, 2023 and the Shareholders pursuant to the special resolution at their meeting held on July 14, 2023. Furthermore, 37,928,233 fully paid up Equity Shares of face value ₹ 2 each has been issued as bonus shares in the ratio of 17:4 by utilising the balance in the securities premium account pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders of the Company held on July 14, 2023.

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 2024*	[●]	[●]
Based on Diluted EPS for Fiscal 2024*	[●]	[●]

*Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

C. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio, the lowest P/E ratio and the average P/E ratio is as follows:

Particulars	Industry P/E ratio
Highest	155.61
Lowest	27.75
Average	71.67

Notes:

The industry high and low has been considered from the industry peer set provided below. The industry composite has been circulated as the arithmetic average P/E of the industry peer set as given below.

D. Return on Net Worth (“RoNW”)

Fiscal / Period ended	RoNW (%)	Weight
2024	21.73	3
2023	24.88	2
2022	22.57	1
Weighted Average for the above three Fiscals	22.92	-
September 30, 2024*	7.36	-

*Not annualized.

Notes:

- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.
- Return on Net Worth (%) = Restated Net profit after tax for the year/ period attributable to the owners of the Company divided by the Restated Net worth at the year/ period end attributable to the owners of the Company.
- Net worth has been defined as the aggregate value of the paid-up equity 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on as on September 30, 2024, March 31, 2024, 2023 and 2022 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended.
- The figures disclosed above for the period ended September 30, 2024, and for the financial years ended March 31, 2024, 2023 and 2022 are based on the Restated Consolidated Financial Information of the Company.

E. Net Asset Value (“NAV”) per Equity Share

Net Asset Value per Equity Share	Amount (₹)
As at March 31, 2024	49.21
As at September 30, 2024	53.12
After the Offer*	[●]
- At Floor Price	[●]
- At Cap Price	[●]
At Offer Price	[●]

*Offer Price per Equity Share will be determined on conclusion of the Book Building Process

Notes:

- Net Asset Value per Equity Share = Restated net worth for the year/ period attributable to owners of the Company divided by weighted average number of equity shares for the year/ period.
- The figures disclosed above for the period ended September 30, 2024 and financial years ended March 31, 2024, are based on the Restated Consolidated Financial Information of the Company.

For further details, see “Other Financial Information” beginning on page 328.

F. Comparison with Listed Industry Peers

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company:

Name of the Company	Face Value (₹ per share)	Closing price on December 23, 2024	Total Income (in ₹ million)	EPS		Return On Net Worth (in %)	NAV (₹ per share)	P/E
				(₹ per share)				
				Basic	Diluted			
Gem Aromatics Limited*	2	NA	4,524.52	10.69	10.69	21.73	49.21	NA ^s
Clean Science and Technology Limited	1	1,450.55	7,914.85	22.97	22.96	20.28	113.24	63.15
Privi Speciality Chemicals Limited	10	1,747.70	17,522.35	24.43	24.43	10.27	236.64	71.54
Camlin Fine Sciences Limited	1	127.05	16,130.62	(5.58)	(5.50)	(10.73)	51.64	NM [#]
Yasho Industries Limited	10	2,047.15	6,009.70	50.83	50.83	19.66	25.85	40.27
S H Kelkar and Company Limited	10	247.85	19,299.90	8.93	8.93	10.09	87.62	27.75
Oriental Aromatics Limited	5	421.70	8,364.05	2.71	2.71	1.44	187.90	155.61

*Financial information for Gem Aromatics Limited is derived from the Restated Consolidated Financial Information for the year ended March 31, 2024.

^sTo be included post finalization of the Offer Price.

[#]Not meaningful. EPS is negative.

Notes:

- All the financial information for listed industry peers mentioned above is on consolidated basis and is sourced from the annual reports as available on BSE Limited for the Financial Year ending March 31, 2024.
- P/E ratio is calculated based on market price of equity shares on closing of December 23, 2024 on BSE Limited divided by diluted EPS for year ended March 31, 2024.
- Basic and Diluted EPS as reported in the annual report of the listed peer company as available on BSE Limited for the financial year ended March 31, 2024.
- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company divided by net worth at the year ended March 31, 2024 attributable to the owners of the Company.
- Net asset value per equity share is computed as net worth attributable to owners of the Company divided by weighted average number of shares outstanding during the year.
- Net worth has been defined as the aggregate value of the paid-up equity 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2024 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended

G. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 28, 2024. The Audit Committee has confirmed and taken on record that (a) no KPIs have been shared by our Company with any investors in the three years prior to filing of this Draft Red Herring Prospectus, and (b) verified details of the aforementioned KPIs have been included in this section. Further, the KPIs herein have been certified by M/s Chhajer & Doshi, Chartered Accountants pursuant to certificate dated December 28, 2024. This certificate has been designated as a material document for inspection in connection with the Offer. See “Material Contracts and Documents for Inspection” beginning on page 454.

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

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once a year (or any lesser period as may be determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the Offer Proceeds as per the disclosure made in the section “*Objects of the Offer*” beginning on page 108 of this Draft Red Herring Prospectus, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

Details of our KPIs for the six months period ended September 30, 2024 and Fiscals 2024, 2023 and 2022 are set out below:

Particulars	Six months ended September 30, 2024*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations (₹ million)	2,048.94	4,524.52	4,247.93	3,143.29
Growth in revenue from operations (%)	NA	6.51%	35.14%	NA
Gross Profit (₹ million)	473.66	1,112.96	1,074.10	761.01
Gross Margin (%)	23.12%	24.60%	25.29%	24.21%
EBITDA (₹ million)	295.56	783.54	661.86	491.64
EBITDA Margin (%)	14.42%	17.32%	15.58%	15.64%
Profit for the Period/Year (₹ million)	183.25	501.04	446.72	311.86
Total Income (₹ million)	2,065.16	4,542.25	4,250.93	3,169.73
PAT Margin (%)	8.87%	11.03%	10.51%	9.84%
Return on Equity (%)	7.36%	21.73%	24.88%	22.57%
Return on Capital Employed (%)	6.96%	21.10%	22.85%	20.84%
Gross Fixed Assets Turnover Ratio (in times)	1.52	4.76	7.66	7.60
Net Debt to Total Equity (in times)	0.48	0.36	0.44	0.51
Net Working Capital Cycle (days)	193.10	162.51	172.71	181.33

* Ratios and percentages are not annualized for the six months' period ended September 30, 2024.

Notes –

- i. Revenue from operations means the Revenue from operations for the period/year
- ii. Growth in Revenue from operations (%) is calculated as a percentage of Revenue from operations of the year minus Revenue from operations of the preceding year, divided by Revenue from operations of the preceding year
- iii. Gross profit is calculated as Revenue from operations minus cost of raw materials consumed minus purchase of stock-in-trade (traded goods) minus (increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade
- iv. Gross Margin is calculated as Gross Profit divided by Revenue from operations
- v. Earnings before interest, tax, depreciation and amortization (EBITDA) is calculated as profit/ (loss) for the period/year plus finance costs, depreciation and amortization, exceptional items and total income tax expenses less other income
- vi. EBITDA Margin is calculated as EBITDA divided by Revenue from operations
- vii. Profit after tax (PAT) Margin is calculated as profit/ (loss) for the period/year divided by total income
- viii. Return on Equity is calculated as profit/ (loss) for the period/year (Excluding share of minority in profits) divided by total equity (Excluding non-controlling interest)
- ix. Return on Capital Employed is calculated as EBIT divided by capital employed. Capital employed is calculated as total equity plus current borrowings (including current maturities of non-current borrowings), non-current borrowings and deferred tax liability while EBIT is calculated as EBITDA less depreciation and amortization.
- x. Gross Fixed Assets Turnover Ratio is calculated as Revenue from operations for the period/year divided by cost of property, plant and equipment, capital work-in-progress, right-of-use assets, goodwill, other intangible assets & intangible assets under development. In case of unavailability of cost of right-of-use assets, we have taken the carrying value
- xi. Net Debt to Total Equity is calculated as net debt divided by total equity. Net Debt is calculated as current borrowings (including current maturities of non-current borrowings) plus non-current borrowings less cash and cash equivalents less other bank balances
- xii. Net Working Capital Cycle (days) is calculated as net working capital divided by revenue from operations multiplied by 365 (year)/183 (six month's). Net Working Capital is calculated as inventories plus trade receivables minus trade payables.

The list of KPIs along with brief description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company is below:

S. No.	KPI	Explanation
1.	Revenue from Operations (₹ million)	Revenue from operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business.
2.	Growth in revenue from operations (%)	Growth in Revenue from operations provides information regarding the growth of the business for the respective period.
3.	Gross Profit (₹ million)	Gross profit provides information regarding the profits earned by reducing the material cost from Revenue from operations.

S. No.	KPI	Explanation
4.	Gross Margin (%)	Gross profit margin is an indicator of the profitability on Revenue from Operations.
5.	EBITDA (₹ million)	EBITDA provides information regarding the operational efficiency of the business of the Company.
6.	EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability of the business before interest, depreciation, amortisation, and taxes and financial performance of the business.
7.	PAT Margin (%)	PAT Margin is used for tracking the profit/(loss) from continuing operations after tax generated per unit of revenue which enables the company to monitor the overall results of operations, financial health and viability of the company.
8.	Return on Equity (%)	Return on Equity provides how efficiently our Company generates profits from shareholders' funds.
9.	Return on Capital Employed (%)	Return on Capital Employed provides how efficiently our Company generates earnings from the capital employed in the business.
10.	Gross Fixed Assets Turnover Ratio (in times)	Gross Fixed Assets Turnover Ratio measures the efficiency with which a company generates sales from its existing property, plant and equipment.
11.	Net Debt to Total Equity (in times)	Net Debt to Total Equity is a key indicator of a company's financial health and stability, and is also known as a gearing ratio or leverage ratio.
12.	Net Working Capital Cycle (days)	Net Working Capital Cycle measures the conversion of working capital into cash, reflecting liquidity and operational efficiency.

We believe that the KPIs, disclosed above, are the only relevant and material KPIs pertaining to our Company which may have a bearing on the Offer Price.

The other operational metrics of our Company have been disclosed in sections, see “*Our Business*” and “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 208, 143 and 329, respectively.

H. Comparison of its KPIs with Listed Industry Peers

The following tables provides a comparison of our KPIs with our listed peers for the Fiscal/period indicated, which has been determined on the basis of companies listed on the Indian stock exchanges of comparable size to our Company, operating in the same industry as our Company and whose business model is similar to our business model.

*For the six months period ended September 30, 2024**

Particulars	Gem Aromatics Limited	Clean Science & Technology Limited	Privi Speciality Chemicals Limited	Camlin Fine Sciences Limited	Yasho Industries Limited	S H Kelkar and Company Limited	Oriental Aromatics Limited
Revenue from Operations (₹ million)	2,048.94	4,621.45	9,967.69	8,188.25	3,367.70	10,128.10	4,525.28
Growth in revenue from operations (%)	-	-	-	-	-	-	-
Gross Profit (₹ million)	473.66	2,951.54	4,438.64	3,817.16	1,336.00	4,638.50	1,832.39
Gross Margin (%)	23.12%	63.87%	44.53%	46.62%	39.67%	45.80%	40.49%
EBITDA (₹ million)	295.56	1,843.39	2,045.65	721.58	497.70	374.40	507.22
EBITDA Margin (%)	14.42%	39.89%	20.52%	8.81%	14.78%	3.70%	11.21%
Profit for the Period (₹ million)	183.25	1,246.77	762.97	(1,507.58)	19.00	(470.10)	257.62

Particulars	Gem Aromatics Limited	Clean Science & Technology Limited	Privi Speciality Chemicals Limited	Camlin Fine Sciences Limited	Yasho Industries Limited	S H Kelkar and Company Limited	Oriental Aromatics Limited
Total Income (₹ million)	2,065.16	4,653.81	10,039.42	8,225.17	3,389.90	10,341.10	4,563.25
PAT Margin (%)	8.87%	26.79%	7.60%	(18.33)%	0.56%	(4.55)%	5.65%
Return on Equity (%)	7.36%	9.61%	7.69%	(21.86)%	0.64%	(4.04)%	3.93%
Return on Capital Employed (%)	7.39%	11.32%	7.01%	2.19%	2.83%	(0.48)%	4.36%
Gross Fixed Assets Turnover Ratio (in times) [#]	1.52	-	-	-	-	-	-
Net Debt to Total Equity (in times)	0.48	-	1.02	0.94	1.98	0.51	0.35
Net Working Capital Cycle (days)	193.10	91.09	142.06	105.46	122.90	136.35	158.34

*Ratios and percentages are not annualized for the six months' period ended September 30, 2024.

[#]Data for the calculation of Gross Fixed Assets Turnover Ratio for Listed Peers is not available.

Source: All the financial information for listed industry peers mentioned above is on consolidated basis and is sourced from the unaudited financial results as available on BSE Limited for the six months period ended September 30, 2024.

For the financial year ended March 31, 2024

Particulars	Gem Aromatics Limited	Clean Science & Technology Limited	Privi Speciality Chemicals Limited	Camlin Fine Sciences Limited	Yasho Industries Limited	S H Kelkar and Company Limited	Oriental Aromatics Limited
Revenue from Operations (₹ million)	4,524.52	7,914.85	17,522.35	16,130.62	5,935.64	19,299.90	8,364.05
Growth in revenue from operations (%)	6.51%	(15.42)%	8.98%	(4.07)%	(11.61)%	14.44%	(1.49)%
Gross Profit (₹ million)	1,112.96	5,144.02	7,428.52	6,994.41	2,134.54	8,495.40	2,649.30
Gross Margin (%)	24.60%	64.99%	42.39%	43.36%	35.96%	44.02%	31.67%
EBITDA (₹ million)	783.54	3,320.65	3,249.63	241.11	998.05	3,068.40	469.37
EBITDA Margin (%)	17.32%	41.95%	18.55%	1.49%	16.81%	15.90%	5.61%
Profit for the Period (₹ million)	501.04	2,440.26	954.30	(1,048.75)	579.37	1,235.50	91.04
Total Income (₹ million)	4,542.25	8,327.71	17,785.34	16,286.18	6,009.70	19,360.20	8,436.85
PAT Margin (%)	11.03%	29.30%	5.37%	(6.44)%	9.64%	6.38%	1.08%
Return on Equity (%)	21.73%	20.28%	10.32%	(12.13)%	19.66%	10.19%	1.44%
Return on Capital Employed (%)	21.10%	23.20%	10.71%	(3.56)%	9.90%	11.59%	3.14%
Gross Fixed Assets Turnover Ratio (in times)	4.76	0.91	0.97	1.38	0.76	1.42	1.45

Particulars	Gem Aromatics Limited	Clean Science & Technology Limited	Privi Speciality Chemicals Limited	Camlin Fine Sciences Limited	Yasho Industries Limited	S H Kelkar and Company Limited	Oriental Aromatics Limited
Net Debt to Total Equity (in times)	0.36	-	1.03	0.65	1.82	0.42	0.30
Net Working Capital Cycle (days)	162.51	82.74	151.30	107.37	127.70	150.07	164.42

Source: All the financial information for listed industry peers mentioned above is on consolidated basis and is sourced from the annual reports as available on BSE Limited for the Financial Year ending March 31, 2024.

For the financial year ended March 31, 2023

Particulars	Gem Aromatics Limited	Clean Science & Technology Limited	Privi Speciality Chemicals Limited	Camlin Fine Sciences Limited	Yasho Industries Limited	S H Kelkar and Company Limited	Oriental Aromatics Limited
Revenue from Operations (₹ million)	4,247.93	9,357.99	16,078.20	16,815.64	6,715.52	16,865.20	8,490.73
Growth in revenue from operations (%)	35.14%	36.64%	14.54%	19.08%	9.61%	7.82%	(2.27)%
Gross Profit (₹ million)	1,074.10	6,098.44	6,468.30	8,683.33	2,563.36	6,818.40	2,723.02
Gross Margin (%)	25.29%	65.17%	40.23%	51.64%	38.17%	40.43%	32.07%
EBITDA (₹ million)	661.86	4,020.95	1,859.21	1,955.95	1,149.80	1,968.90	542.13
EBITDA Margin (%)	15.58%	42.97%	11.56%	11.63%	17.12%	11.67%	6.39%
Profit for the Period (₹ million)	446.72	2,951.76	212.78	398.10	678.68	629.50	197.43
Total Income (₹ million)	4,250.93	9,656.24	16,292.42	16,873.63	6,825.95	16,983.30	8,548.01
PAT Margin (%)	10.51%	30.57%	1.31%	2.36%	9.94%	3.71%	2.31%
Return on Equity (%)	24.88%	29.23%	2.57%	4.86%	28.52%	5.91%	3.16%
Return on Capital Employed (%)	22.96%	35.41%	4.14%	8.25%	16.95%	6.93%	3.95%
Gross Fixed Assets Turnover Ratio (in times)	7.66	1.52	0.97	1.51	1.65	1.33	1.94
Net Debt to Total Equity (in times)	0.44	-	1.25	0.83	1.27	0.47	0.34
Net Working Capital Cycle (days)	172.71	68.06	181.85	126.85	118.97	146.35	202.41

Source: All the financial information for listed industry peers mentioned above is on consolidated basis and is sourced from the annual reports as available on BSE Limited for the Financial Year ending March 31, 2023.

For the financial year ended March 31, 2022

Particulars	Gem Aromatics Limited	Clean Science & Technology Limited	Privi Speciality Chemicals Limited	Camlin Fine Sciences Limited	Yasho Industries Limited	S H Kelkar and Company Limited	Oriental Aromatics Limited
Revenue from Operations (₹ million)	3,143.29	6,848.86	14,037.20	14,120.89	6,126.61	15,641.90	8,687.92
Growth in revenue from operations (%)	-	-	-	-	-	-	-
Gross Profit (₹ million)	761.01	4,602.22	5,727.51	6,525.95	2,234.38	6,386.70	2,959.80
Gross Margin (%)	24.21%	67.20%	40.80%	46.21%	36.47%	40.83%	34.07%
EBITDA (₹ million)	491.64	2,998.88	1,991.33	1,526.75	929.69	2,027.00	925.27
EBITDA Margin (%)	15.64%	43.79%	14.19%	10.81%	15.17%	12.96%	10.65%
Profit for the Period (₹ million)	311.86	2,284.95	973.80	603.72	522.86	1,494.20	533.02
Total Income (₹ million)	3,169.73	7,148.59	14,361.15	14,451.23	6,229.87	15,817.00	8,732.00
PAT Margin (%)	9.84%	31.96%	6.78%	4.18%	8.39%	9.45%	6.10%
Return on Equity (%)	22.57%	29.73%	11.99%	8.07%	30.21%	14.75%	8.81%
Return on Capital Employed (%)	22.08%	34.82%	7.28%	7.00%	20.78%	7.73%	9.79%
Gross Fixed Assets Turnover Ratio (in times)	7.60	1.56	0.93	1.44	2.46	1.26	2.26
Net Debt to Total Equity (in times)	0.51	-	1.07	0.64	0.93	0.50	0.21
Net Working Capital Cycle (days)	181.33	74.38	149.65	112.89	91.41	155.12	168.29

Source: All the financial information for listed industry peers mentioned above is on consolidated basis and is sourced from the annual reports as available on BSE Limited for the Financial Year ending March 31, 2022.

I. Comparison of KPIs over time based on additions or dispositions to the business

Our Company has not undertaken a material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

J. Disclosures in relation to valuation of our Company

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

There has been no issuance of Equity Shares or convertible securities, excluding the issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

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

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the Promoters, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate director(s) on the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(c) Price per share based on last five primary or secondary transactions

Since there are no such transactions to report to under (a) and (b), therefore, information based on last five primary or secondary transactions (secondary transactions where Promoters / Promoter Group entities or Selling Shareholders or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, is as below:

Primary transactions:

The details of primary transactions in the last three years preceding the date of this Draft Red Herring Prospectus:

Date of Allotment	Number of Equity Shares	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ million)
July 14, 2023	37,928,233	2	NA	Bonus Issue	NA	Nil
Weighted average cost of acquisition (WACA) (primary issuances) (₹ per Equity Share)						Nil

As certified by our Statutory Auditor, pursuant to their certificate dated December 28, 2024.

Secondary acquisition:

Except as disclosed below, there have been no secondary transactions in which Promoters, members of the Promoter Group, Selling Shareholders are a party to the transaction, in the last three years preceding the date of this Draft Red Herring Prospectus:

Date of Transfer	Name of Transferee	Name of Transferor	Number of Equity Shares	Face value per equity share (₹)	Price Equity Shares	Nature of transaction	Nature of consideration	Total Consideration (in ₹ million)
July 4, 2023	Vruta Yash Parekh	Yash Vipul Parekh	1	10	Nil	Transfer by way of gift	NA	Nil
July 4, 2023	Prisha Yash Parekh	Yash Vipul Parekh	1	10	Nil	Transfer by way of gift	NA	Nil
July 4, 2023	Yash Vipul Parekh (HUF)	Yash Vipul Parekh	1	10	Nil	Transfer by way of gift	NA	Nil
October 5, 2023	Parekh Family Trust	Vipul Parekh	10,600,000	2	Nil	Transfer by way of gift	NA	Nil

Date of Transfer	Name of Transferee	Name of Transferor	Number of Equity Shares	Face value per equity share (₹)	Price Equity Shares	Nature of transaction	Nature of consideration	Total Consideration (in ₹ million)
October 16, 2023	Vipul Parekh	Yash Vipul Parekh	3,000,000	2	Nil	Transfer by way of gift	NA	Nil
October 17, 2023	Vipul Parekh	Kaksha Vipul Parekh	3,000,000	2	Nil	Transfer by way of gift	NA	Nil
Weighted average cost of acquisition (WACA) (Secondary issuances) (₹ per Equity Share)								Nil

As certified by our Statutory Auditor, pursuant to their certificate dated December 28, 2024.

Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)*	Floor price (₹)	Cap price (₹)
WACA of Primary Transactions	NA	NA	NA
WACA of Secondary Transactions	NA	NA	NA
Since there were no Primary Transactions or Secondary Transactions during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions (where promoters/promoter group entities or the Investor Selling Shareholder or shareholder(s) having the right to nominate director(s) on the Board), are a party to the transaction, not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of the transaction			
- Based on primary transactions	Nil	[●]	[●]
- Based on secondary transactions	Nil	[●]	[●]

* As certified by M/s Chhajed & Doshi, Chartered Accountants, by way of their certificate dated December 28, 2024.

K. Explanation for Offer Price / Cap Price being [●] times of WACA of Primary Issuance (set out in VIII above) along with our Company's key financial and operational metrics and financial ratios for six months period ended September 30, 2024, Fiscals 2024, 2023 and 2022.

[●]*

* To be included on finalisation of Price Band.

L. Explanation for Offer Price / Cap Price being [●] times of WACA of Secondary Transactions (set out in VIII above) in view of the external factors which may have influenced the pricing of the Offer.

[●]*

* To be included on finalisation of Price Band.

M. The Offer price is [●] times of the face value of the Equity Shares having face value of ₹ 2

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLM on the basis of the demand from investors for the Equity Shares through the Book Building process. The Offer price is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Management Discussion and Analysis of Financial Position and Results of Operations*” and “*Restated Consolidated Financial Information*” beginning on pages 29, 208, 329 and 270, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “*Risk Factors*” beginning on page 29 and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

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

To,

The Board of Directors,

Gem Aromatics Limited

A/410, Kailas Complex,

Vikhroli Powai Link Road,

Park Site, Vikhroli(W), Mumbai,

Maharashtra - 400079

Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower

Rahimtullah Sayani Road

Opposite Parel ST Depot, Prabhadevi, Mumbai

Maharashtra, India 400025

(Motilal Oswal Investment Advisors Limited will be referred as “Book Running Lead Manager” or “BRLM”)

Re: Proposed initial public offering of equity shares (Equity Shares) of Face Value Rs. 2 per share by Gem Aromatics Limited comprising a fresh issue of Equity Shares and an offer for sale of the Equity Shares by Selling Shareholders (Offer).

Dear Sir/ Madam,

We, M/s Chhajer & Doshi, the statutory auditor of the Company, hereby report that the enclosed **Annexure B** is in connection with the possible special tax benefits available to (i) the Company and (ii) the shareholders of the Company, under applicable tax laws presently in force in India which are defined in **Annexure A**.

Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions prescribed under the relevant statutory provisions, which based on business imperatives the Company and its shareholders face in the future, the Company and its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexure B** cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company. Further, the benefits discussed in the enclosed **Annexure B** are not exhaustive. **Annexure B** is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

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

1. The Company and /or its shareholders will continue to obtain these benefits in the future; or
2. The conditions prescribed for availing of the benefits have been/would be met with.
3. the revenue authorities/courts will concur with the views expressed herein.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by Institute of Chartered Accountants of India (“ICAI”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.

At the specific request of the Company, this certificate is also being addressed to the Book Running Lead Manager to assist them in conducting their due diligence and documenting the affairs of the Company in connection with the proposed Offer.

We hereby consent that this certificate either in part or full can be used in DRHP to be filed with the Securities and Exchange Board of India (“SEBI”), the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) and together with the BSE, the “Stock Exchanges”, and the red herring prospectus and the prospectus to be filed with the Registrar of Companies, Mumbai at Maharashtra (“RoC”) and submitted to the SEBI and the Stock Exchanges in connection with the Offer, and in any other material used in connection with the Offer and for disclosure on the website of the Company and the BRLM in connection with the Offer, provided that the below statement of limitation is included in the DRHP.

We hereby also consent to the submission and disclosure of this certificate as may be necessary to the SEBI, the ROC, the Stock Exchanges and any other regulatory, statutory, governmental, judicial or competent authorities and, or, for any other litigation purposes (including in connection with any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation related to any matter regarding issuance and listing of the equity shares of the Company) or affiliates of Book Running Lead Manager and/or for the records to be maintained by the Book Running Lead Manager, and in accordance with applicable law. We also consent to the inclusion of this certificate as a part of ‘*Material Contracts and Documents for Inspection*’ in connection with the Issue, which will be available for public for inspection from the date of filing of the red herring prospectus until the Bid/ Issue Closing Date.

As a result, the certificate may not be suitable for any other purpose and, save and except for above, should not be distributed to or used by any third parties without our prior written consent. Accordingly, save and except for above, 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 certificate is shown or into whose hands it may come.

We confirm that any changes to the above information that are brought to our attention by the Company will immediately be intimated to the Book Running Lead Manager until the date when the Equity Shares commence trading on the relevant stock exchanges. In the absence of any communication from us, the Company, the BRLM and the legal advisors appointed with respect to the Offer may assume that there is no change in respect of the matters covered in this certificate.

This certificate may be relied on by the Book Running Lead Manager, their affiliates and the legal counsel in relation to the Offer and to assist the Book Running Lead Manager in the context of due diligence procedures that the Book Running Lead Manager has to conduct and the documents in relation of their investigation of the affairs of the Company in connection with the Offer.

LIMITATIONS

Our views expressed in the enclosed **Annexure B** are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of taxation laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the **Annexure B** is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the initial public offer relying on the statement and the **Annexure B**. This statement has been prepared solely in connection with the proposed initial public offering of equity shares of the Company under the ICDR Regulations.

Yours sincerely,

CHHAJED & DOSHI

Chartered Accountants

ICAI Firm No.: 101794W

CA Abhinav Chhajed

Partner

Membership No.: 196452

UDIN: 24196452BKBQCB9563

Place: Mumbai

Date: 25th December, 2024

ANNEXURE A

LIST OF DIRECT AND INDIRECT LAWS

Sr. No	Details of Tax Laws
1	Income Tax Act, 1961 and Income-tax Rules, 1962 (read with applicable circulars and notifications) as amended by the Finance (No. 2) Act, 2024.
2	Central Goods and Services Tax Act, 2017 including the relevant rules, notifications and circulars issued thereunder Integrated Goods and Services Tax Act, 2017 including the relevant rules, notifications and circulars issued thereunder Applicable State/ Union Territory Goods and Services Tax Act, 2017 including the relevant rules, notifications and circulars issued there under
3	The Customs Act, 1962 and the Customs Tariff Act, 1975 including the relevant rules, notifications and circulars issued there under
4	The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023)

ANNEXURE B

Statement of Tax Benefits

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

This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term '*special tax benefits*' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in this Annexure. Any benefits under the taxation laws other than those specified in this Annexure are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in this Annexure have not been reviewed and covered by this statement.

The statement outlined below is based on the provisions of the Taxation Laws relevant to the Financial Year 2024-25.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.

I. Possible Special Direct tax benefits available to the Company

The information outlined below is based on the provisions of the Income-tax Act, 1961 ('the Act') presently in force in India as amended by the Finance Act, 2024.

1. Lower corporate tax rate under section 115BAA of the Act:

- The section 115BAA of the Act provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess).
- In case the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions/ exemptions:
 - Deduction under the provisions of section 10AA of the Act (deduction for units in Special Economic Zone).
 - Deduction under clause (iia) of sub-section (1) of section 32 of the Act (Additional depreciation).
 - Deduction under section 32AD or section 33AB or section 33ABA of the Act (Investment allowance in backward areas, Investment deposit account, site restoration fund).
 - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 of the Act (Expenditure on scientific research).
 - Deduction under section 35AD or section 35CCC of the Act (Deduction for specified business, agricultural extension project).
 - Deduction under section 35CCD of the Act (Expenditure on skill development).

- Deduction under any provisions of Chapter VI-A other than the deductions under section 80JJAA of the Act (Deduction in respect of employment of new employees) and section 80M of the Act (Deduction in respect of certain inter-corporate dividends).
 - No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above.
 - No set-off of any loss or allowance for unabsorbed depreciation deemed so under section 72A of the Act, if such loss or depreciation is attributable to any of the deductions referred to in clause.
- The provisions of section 115JB of the Act regarding Minimum Alternate Tax (MAT) are not applicable if the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act. Further, the Company will not be entitled to claim tax credit relating to MAT.
 - The option needs to be exercised for a particular financial year (FY) in the prescribed manner on or before the due date of filing the income-tax return. The option once exercised, shall apply to subsequent FY's and cannot be subsequently withdrawn for the same or any other financial year. If the conditions mentioned in section 115BAA of the Act are not satisfied in any FY, the option exercised shall become invalid in respect of such FY and subsequent FY's, and the other provisions of the Act shall apply as if the option under section 115BAA of the Act had not been exercised.

The Company has opted for the concessional rate of tax in the return of income filed for the previous year ended March 31, 2021 relevant to the assessment year 2021-22 and onwards.

2. Deductions from Gross Total Income

Deduction in respect of employment of new employees - section 80JJAA of the Act:

The Company is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act, subject to the fulfilment of prescribed conditions therein.

Deduction in respect of inter-corporate dividends - section 80M of the Act:

Section 80M of the Act inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, then such domestic company (subject to the provisions of this section) be allowed in computing the total income, a deduction of an amount equal to dividend received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date.

The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

II. Possible Special Indirect tax benefits available to the Company

The information outlined below is based on Indirect tax regulations as amended from time to time and applicable for the financial year 2024-25.

1. Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 and The Union Territory Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder)

- i. Under the Goods and Services Tax ("GST") regime, all supplies of goods and services which qualify as exports are classified as Zero-rated supplies. Zero rated supplies are eligible for claim of GST refund under any of the two mechanisms, at the option of the Company.
The Company can either effect zero-rated supplies under Bond/ Letter of Undertaking (LUT) without payment of GST and claim refund of accumulated Input Tax Credit or effect zero-rated supplies on payment of Integrated Goods and Services Tax and claim refund of the tax paid thereof as per provisions of section 54 of Central Goods and Services Tax Act, 2017. Thus, the option of claiming refund of GST on zero rated supplies is available to the Company.
- ii. The rate of Goods and Services Tax has been reduced on all supplies with effect from with effect from 23-10-2017 by virtue of Notification 41/2017 of Integrated Tax (Rate)("Notification") on supply of taxable goods by a registered supplier to a registered recipient of export ("**Merchant Exporter**"). The rate shall be charged on such supply at the rate of 0.1% of IGST and if intra state supply rate shall be 0.05% of CGST and SGST each subject to fulfilment of conditions stated in the Notification. Thus, the option of supply of goods to Merchant Exporter at concessional rate is available to the Company.

2. Benefits under Customs Act, 1962 in conjunction with the Customs and Central Excise Duties Drawback Rules, 2017 ("Duty Drawback Rules") and Customs Tariff Act, 1975

Duty Drawback is a scheme administered by Central Board of Indirect Taxes & Customs ("**CBIC**") to promote exports by providing rebates on the incidence of Customs duties, chargeable on imported material that are used as inputs for goods to be exported.

This scheme ensures that exports are zero-rated and do not carry the burden of taxes. The product exported is eligible for rebate at a percentage mentioned in duty drawback schedule. Exporters can avail of duty drawback only if they meet the procedural requirements outlined in the Duty Drawback Rules, unless exceptions are granted.

The duty drawback rates may be expressed as percentage of free on board ("**FOB**") value or fixed rate on value or rate per unit quantity of export goods (weight/volume basis).

3. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023)

Remission of duties and taxes on Exported Products (RoDTEP)

Remission of duties and taxes on Exported Products (RoDTEP) scheme incentives are given at a specified rate on the free on board value of the exported goods. The incentives awarded to exporters are issued in the form of duty credit/electronic scrip. These duty credit scrips are freely transferable and can be used for the payment of Custom Duty. The Company is entitled to avail the benefits of remission of duties, taxes and other levies at the Central, State and local level which are borne on the exported goods manufactured in India under RoDTEP scheme.

III. Special Direct tax benefits available to the Shareholders

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act (as discussed above) would be available on fulfilling the conditions.
2. Further, in case of shareholders who are individuals, Hindu Undivided Family, association of persons, body of individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.
3. As per section 112A of the Act, long-term capital gains arising from transfer of an equity share shall be

taxed at 12.5% plus applicable surcharge and cess (without benefit of indexation) of such capital gains subject to fulfilment of prescribed conditions under the Act as well as per Notification No. 60/2018/F.No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed Rs. 1,25,000. Further, in respect of non-resident shareholder foreign exchange rate fluctuation as per first proviso to section 48 of the Act shall not be available if capital gains are taxable under section 112 or 112A of the Act.

4. As per section 111A of the Act, short term capital gains arising from transfer of an equity share shall be taxed at 20% plus applicable surcharge and cess subject to fulfilment of prescribed conditions under the Act.
5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Except the above and apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits for the shareholders.

IV. Special Indirect tax benefits available to the Shareholders

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

- i. The above Statement of Tax benefits sets out the special tax benefits available to the Company and its shareholders under the tax laws mentioned above.
- ii. The above Statement covers only above-mentioned tax laws benefits and does not cover any general tax benefits under any other law.
- iii. 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.
- iv. This statement does not discuss any tax consequences under any law for the time being in force, as applicable of any country outside India. The shareholders / investors are advised to consult their own professional advisors regarding possible tax consequences that apply to them in any country other than India.
- v. The above Statement of possible special tax benefits sets out the provisions of Indian tax laws 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.

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO GEM AROMATICS LLC (HEREAFTER ALSO REFERRED TO AS 'THE COMPANY') UNDER THE DIRECT AND INDIRECT TAX LAWS WHICH APPLY IN THE UNITED STATES

Date: 24th December, 2024

To:
The Board of Directors
Gem Aromatics LLC
208 West State Street
Trenton, New Jersey
08608-1002
USA

Dear Sir/Ma'am,

RE: Statement of potential Special Tax Benefits available to the Company under the direct and indirect tax laws which apply in the United States.

Further to the terms of our Engagement Letter dated September 11, 2023 and signed 11th June 2024, we enclose the Statement (the "Annexure") summarising potential special tax benefits available to the Company in respect of the current taxation year being financial year ending 31 March 2024, based on direct and indirect taxation laws of the United States as of the date of this Statement.

The potential tax benefits available to the Company by reason of the direct and indirect taxation laws of the United States as set out in the Statement, are potentially available to all companies who are tax resident in the United States, provided the conditions referred to in the Statement are met. However, we understand that notwithstanding same, such benefits can be referred to as 'special tax benefits' in the context of the proposed listing of equity shares of Gem Aromatics Limited, (hereafter referred to as the Holding Company) solely in view of the fact that the Indian tax resident parent company has a United States tax resident subsidiary, who can potentially avail of the tax benefits as set out in the Statement.

Several of these benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws of the United States. Hence, the ability of the Company to derive these direct and indirect special tax benefits is dependent upon the fulfilment of certain conditions. It is also dependent on there being no further change to the United States taxation law and practice in respect of the current taxation year i.e., 31 March 2024.

The potential benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents of the Annexure are based on the information and explanations obtained from the Company. This Statement is only intended to provide general information and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of taxation matters and the changing tax laws which apply both in the United States and each individual investor's state of tax residence, each investor is advised to consult their own tax consultants with respect to the specific tax implications arising out of their participation in the proposed listing of equity shares which the Company's parent entity, namely Gem Aromatics Limited, as detailed below. We note in particular that investors are not subscribing for shares in the Company itself but rather in its parent entity as detailed below. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this Statement.

The contents of the enclosed Annexure are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company arising therefrom.

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

- The Company will continue to obtain these benefits in future;
- The conditions prescribed for availing of the benefits have been/would be met;
- The Revenue authorities/courts will concur with the views expressed herein.

This Statement is provided solely for the purpose of assisting the Company in discharging its responsibilities under the SEBI ICDR Regulations.

This statement is issued solely in connection with the Proposed Initial Public Offer of the Holding Company. The statement is intended solely for your information and for inclusion in the Draft Red Herring Prospectus (DRHP) to be filed with the Securities and Exchange Board of India (SEBI) and the Stock Exchanges and the Red Herring Prospectus (RHP) and the Prospectus (Prospectus and together with DRHP and RHP, the "Offer Documents") and any other material in connection with the Initial Public Offer. We hereby give our consent to submit this certificate as may be necessary to SEBI, the Registrar of Companies, Maharashtra at Mumbai ("RoC"), the relevant stock exchanges or any other regulatory authority and/or for the records to be maintained by the Book Running Lead Manager appointed by the Holding Company in relation to the Offer ("BRLM") and in accordance with applicable laws in India.

We confirm that we will immediately inform the Holding Company and the BRLM of any changes to the above information in writing until the date when the equity shares of the Holding Company commence trading on the stock exchange(s) where the Equity Shares are proposed to be listed (the "Stock Exchanges"). In the absence of any such communication from us, the BRLM, and the legal counsel to each of the Holding Company and Lead Managers can assume that there is no change to the above information until the date when the Equity Shares are listed and commence trading on the Stock Exchanges pursuant to the Offer.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of taxation laws in force in the United States and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Statement is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the listing of equity shares which the Company's parent entity, namely Gem Aromatics Limited relying on the Statement. This Statement has been prepared solely in connection with the proposed issue of equity shares of Gem Aromatics Limited under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Signed on behalf of KNAV Advisory Inc

KNAV Advisory Inc

Date – 24th December, 2024

ANNEXURE TO THE STATEMENT OF TAX BENEFITS POTENTIALLY AVAILABLE TO Gem Aromatics LLC (HEREAFTER REFERRED TO AS ‘THE COMPANY’)

The information provided below sets out the potential direct and indirect tax benefits available to Gem Aromatics LLC. (or hereafter referred to as ‘the Company’) in a summary manner only and is not a complete analysis or listing of all potential tax benefits which may apply to the Company under the current tax laws presently in force in the United States. The Statement reflects only the current position of tax benefits available to the Company as presently in force and applicable as of the date of this Statement and applying to the current taxation year of the Company being the financial year ending 31 March 2024.

Several of these benefits are dependent on the Company fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives the Company, may or may not choose to fulfil. We do not express any opinion or provide any assurance as to whether the Company will continue to obtain these benefits in future.

The overview provided in this Statement is neither exhaustive nor conclusive and is not intended to be a substitute for professional advice. It only covers potential Direct and Indirect tax benefits under the relevant tax laws as defined below and does not cover benefits under any other law or any tax jurisdiction other than the United States. The Statement as outlined below does not constitute tax advice and is intended only as a guide to certain tax benefits under tax laws and the practice and/or application of same by the Taxing Authorities in the United States as of the date of this Statement. The commentary as set out in this Statement is limited only to the relevant aspect of the tax laws as defined below which are set out as part of this Statement.

This Statement deals with direct and indirect tax benefits available to the Company. It does not deal with direct or indirect tax benefits available to the parent of the Company, Gem Aromatics Limited, and does not deal with tax implications for investors in Gem Aromatics Limited, even to the extent that any such investors may be tax resident in the United States. In view of the individual nature of taxation matters and the changing tax laws which apply both in the United States and each individual investor’s state of tax residence, each investor is advised to consult their own tax consultants with respect to the specific tax implications arising out of their participation in the Offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this Statement.

Statement of special direct and indirect tax benefit available to the Company under the corporate tax laws of the United States

A. Direct Tax

The legislation relevant to corporate tax is contained primarily in the Internal Revenue Code of 1986 ('IRC), as amended by the treasury regulations and the other official tax guidance published by the Internal Revenue Service, and the tax laws of the various states.

(i) Corporate Tax rate on business profits

A company, being a resident of the US, is subject to tax on its worldwide income, including any capital gains, at the regular corporate tax rate. For tax years 2022(FY 2022-23), 2023 (FY 2023-24), US resident companies are subject to tax at a corporate federal income tax rate of 21 percent.

(ii) Taxation of Capital Gains

The capital gains are a part of business income for the purpose of taxability in the hands of the Company and chargeable to tax at the regular corporate tax rate. The capital loss, if any, can be set off against the capital gains. The unutilized capital losses can be carried back to each of the 3 taxable years preceding the loss year and can be carried over to each of the 5 taxable years succeeding the loss year.

During the tax year 2023(FY 2023-24), the Company had not generated any capital gain income nor incurred any capital loss.

(iii) Taxation of business losses

Any operating loss incurred by the company is allowed to be set off against the taxable profits (including capital gains) of the same year. The remaining loss can be carried forward and can be adjusted against the taxable profits of the future years. The net operating loss generated from the tax year 2018 onwards can be carried forward indefinitely but can be utilized to the extent of 80% of taxable income for the year, against which the losses will be utilized.

An additional restriction may be imposed on the utilization of the losses if the ownership of the company undergoes a change. The restriction is imposed on the losses generated, prior to the date of change of ownership of the company.

During the tax year 2023(FY 2023-24), the Company had generated operating income and no operating losses were generated. Additionally, we do not have any accumulated losses from the previous years as well.

(iv) Capital Allowances available in respect of capital expenditure on qualifying plant and machinery

The federal tax laws provide for special depreciation allowance (deduction for expenditure on capital assets) equal to the applicable percentage of the unadjusted depreciable basis of certain qualified property acquired after September 27, 2017, and placed in service after September 27, 2017, and before January 1, 2027. The applicable percentage is 100% for property placed in service between September 28, 2017, and December 31, 2022, with annual 20% reductions in the applicable percentage scheduled between the tax years 2023 and 2027. In order to be eligible to special depreciation allowance, the property must be placed in service in the USA.

During the tax year 2023(FY 2023-24), the Company had neither purchased any fixed asset nor claimed any depreciation.

(v) Tax treatment of interest incurred for the purposes of business activities

The federal tax law provides that interest incurred in respect of monies borrowed wholly and exclusively for the purposes of a trade carried on a company shall be deductible, to the extent of 30% of the adjusted taxable income, of the company. Adjusted taxable income means the taxable income of the taxpayer computed without regard to any business interest or business interest income, net operating loss deduction, and in the case of taxable years beginning before January 1, 2022, any deduction allowable for depreciation, amortization, or depletion.

During the tax year 2023(FY 2023-24), the Company is not subject to section 163j interest limitation.

(vi) **Capital Allowances available in respect of capital expenditure on qualifying specified intangible assets**

The federal tax law provides for tax relief for capital expenditure incurred on the acquisition of specified intangible assets for the purposes of trade. Capital allowances are available in respect of expenditure in respect of qualifying specified intangible assets which are acquired and put to use during the taxable year. Such specified intangible allowances are generally available over the useful life of the asset or a period of fifteen years and allowed as a deduction in arriving at the taxable business profits of a company for corporate tax purposes in the tax period of assessment. Qualifying specified intangibles are defined under the Tax Laws and can include, patents, copyright, computer software, goodwill, etc. acquired separately or as part of the asset acquisition transaction.

During the tax year 2023(FY 2023-24), the Company had neither acquired any intangible property nor claimed any amortization.

B. Other Taxes

(i) Sales Tax

A lot of states in the US levy sales and use tax. Also, few states allow cities to levy sales and use tax in addition to state level tax. Since the company's sales in U.S are limited to entire sales being to wholesalers and distributors, the company had no sales tax exposure hence no sales tax registrations were taken.

(ii) Property Tax

A company owning real or personal property in a state or locality is generally subject to property tax. However, in New Jersey, business inventory is exempt from property tax, provided it is held for sale, lease, or use in the normal course of business. As a result, inventory maintained in New Jersey is not subject to property tax under this exemption.

The company maintained business inventory in the state of NJ. Since business inventory is exempt from Property tax, there was no property tax return filed.

(iii) Unclaimed Property

Generally Unclaimed Property Law requires banks, insurance companies, corporations, and certain other entities to report and submit their customers' property to the respective State Controller's Office when there has been no activity for a period time (generally three years).

Common types of unclaimed property are bank accounts, stocks, bonds, uncashed checks, insurance benefits, wages, and safe deposit box contents. Property does not include Real Estate.

Since the company does not have any unclaimed property, it is not required to file unclaimed property tax returns.

(iv) Payroll Tax

Employers are required by law to withhold employment taxes from their employees. Since the company doesn't have any employees, there is no requirement to file payroll tax returns with the Internal Revenue Service or any state departments.

SECTION V: ABOUT THE COMPANY

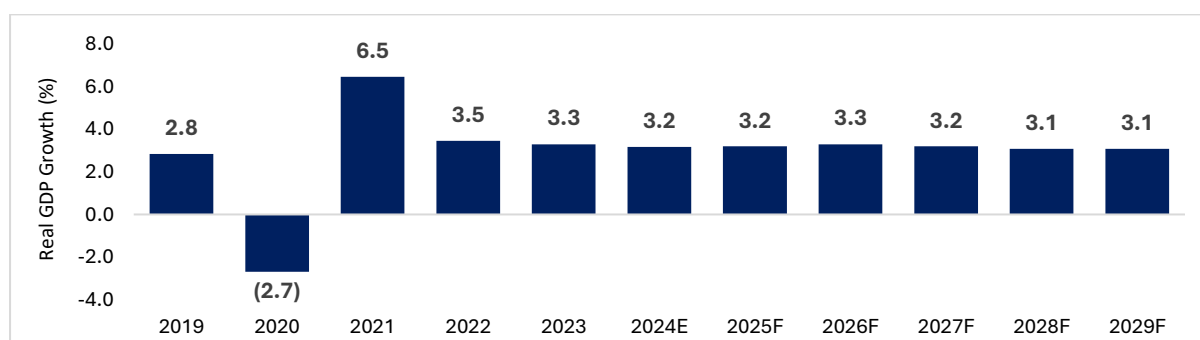
INDUSTRY OVERVIEW

Unless otherwise indicated, the information contained in this section has been derived from the report titled 'Independent Market Report for Gem Aromatics' dated December 26, 2024, prepared and issued by F&S (the "F&S Report"), commissioned by and paid for by our Company. The F&S Report has been prepared and issued by F&S for the purpose of understanding the industry exclusively in connection with the Offer. 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 fiscal or calendar year, refers to such information for the relevant fiscal or calendar year. For further details, see "Risk Factors – Internal Risks – 51. Certain sections of this Draft Red Herring Prospectus disclose information from the F&S Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks" on page 61 and the section titled "Industry Overview" beginning on page 143. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" beginning on page 16.

1. Global Macroeconomic Overview

1.1 Real GDP Growth and Estimates – Global and Key Countries¹

Exhibit 1.1.1: Real GDP Growth (%), Global, CY2019-CY2029F



Note: E: Estimate, F: Forecast; Chart shows baseline figures. Data in parentheses indicates negative value; Source: International Monetary Fund (IMF), Frost & Sullivan

Following a post-pandemic upswing of 6.5% in CY2021, the outbreak of the Russia-Ukraine war stoked inflationary pressures and rapid monetary policy tightening in CY2022. Curtailed business and consumer spending growth saw real GDP growth moderating to 3.5% in CY2022. In CY2023, growth tempered to 3.3% and is expected to soften slightly to 3.2% in CY2024 owing to persistent geopolitical tensions, elevated prices, and interest-rate driven erosion of purchasing power. Except for the United States, most developed nations, saw sluggish growth momentum, while emerging markets remained engines of global growth.

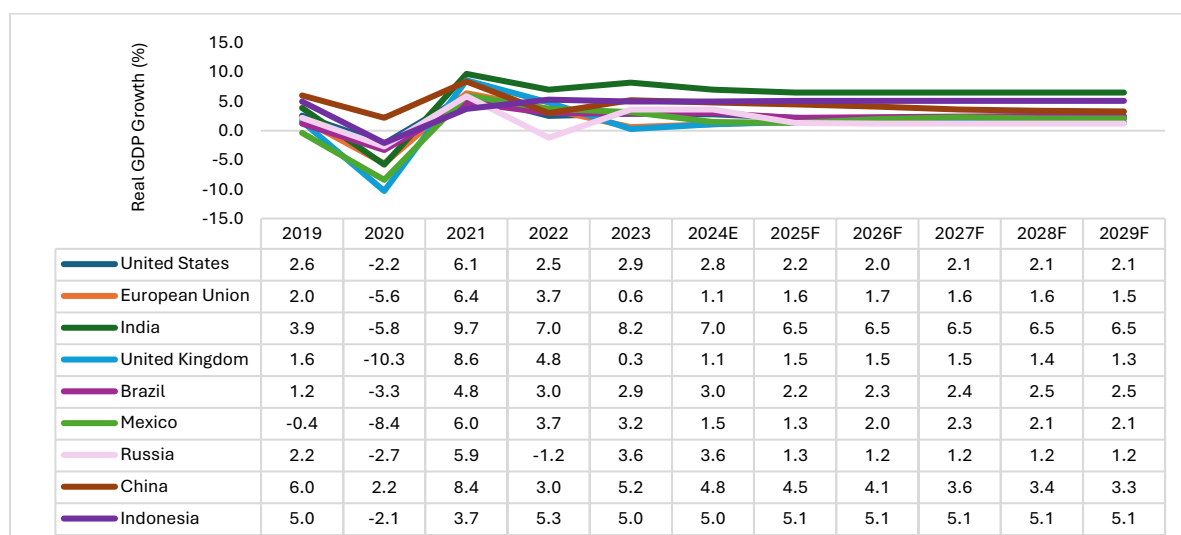
In the baseline, from CY2025 to CY2030, the global economy will maintain a steady growth momentum ranging between 3.0%-3.3%. Emerging market and developing economies will be the growth frontrunners owing to upbeat consumer demand, competitive labour costs, and prudent monetary policies, and conducive fiscal support. Advanced economies will witness a steady expansion amidst sizable fiscal support for sectors like clean energy, digitalization, and manufacturing. Receding price pressures and easing monetary policy conditions in H2 CY2024 will buoy consumer demand in these geographies. In the long-term an aging population, high debt burdens, and weaknesses in property markets may be the key risks on the downside.

The US economy remained resilient in CY2023, with a real GDP growth of 2.9% and is likely to grow by 2.8% and 2.2% in CY2024 and CY2025, respectively. Easing interest rates and conducive policies will boost consumer and business investment growth in H1 CY2025. While the proposed tax and regulatory reforms during the upcoming Trump presidency will drive growth, high tariffs can push up domestic prices and put a hold on the pace of the monetary policy easing. In this case, US GDP growth can slow to 1.8-1.9% next year.

¹ Key countries include India, China, US, Brazil, Russia, European Union, UK, and Indonesia

In the United Kingdom, improving household consumption will drive economic growth in CY2025. In CY2023, Germany experienced a recession owing to a slowdown in global exports and China’s slow recovery, with a 0.3% contraction. Political uncertainty in key economies like Germany and France along with inflationary pressures have largely weighed on EU’s growth performance. The EU is forecast to grow at 1.1% and 1.6% in CY2024 and CY2025, respectively. Consumer spending will recover amidst easing price pressures and improving credit conditions. Coupled with exports rebound to key trading partners such as China, growth within the European nations will be picking up CY2025 onwards. US trade policy moves could act as a growth restraint for the EU economy in CY2025, with real GDP growth pegged at 1.0% in case of high tariffs and weak China demand.

Exhibit 1.1.2: Real GDP Growth (%), Key Countries, CY2019-CY2029F



Note: E: Estimate, F: Forecast; Chart shows baseline figures. India’s data is presented for fiscal years i.e., 2024 data refers to FY2025 (April 2024 to March 2025); Source: IMF, Frost & Sullivan

In Latin America, Brazil, diverging from the global trend, has started monetary policy tightening since September 2024. The hikes are a pre-emptive response to the potential risk of a near-term resurgence in inflation due to ongoing droughts and fires.

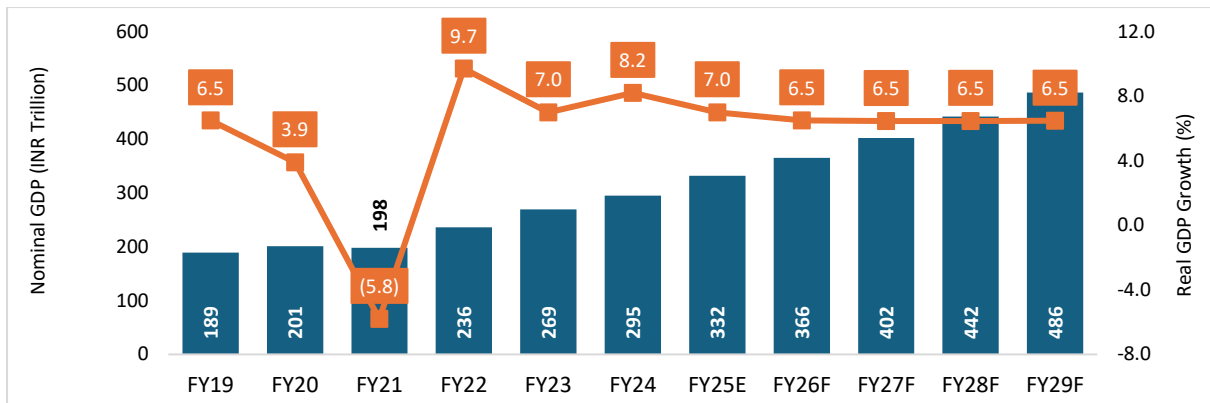
In Asia, China is forecasted to expand by 4.8% and 4.5% in CY2024 and CY2025, respectively. The soft near-term growth is underpinned by weak manufacturing activity, deflation, high debt, and the domestic property market crisis. US tariffs under the upcoming Trump presidency will have a bearing on near-term trade and economic growth momentum. In a heated trade war scenario, China’s domestic growth will fall below 4.0% in CY2025 as US consumer demand for Chinese imports dampens amidst high tariffs. Indonesia will maintain an upbeat growth trajectory with 5.0% growth in the near term amidst expansionary fiscal support and strong household spending.

India remains the fastest growing large economy with 8.2% growth in 2023 (i.e., FY 2024) and a forecast of 7.0% in 2024 (i.e. FY2025), despite global growth headwinds. India’s growth will average 6.5% between FY2025 and FY2029. Capital expenditure-led growth model remains an essential driver for the economy. In the near to medium-term, adverse US tariffs on nations like China and Mexico can potentially spur exports demand for Indian goods and services amidst increased price competitiveness.

2. India Macroeconomic Overview

2.1 Real GDP Growth and Nominal GDP

Exhibit 2.1: Nominal GDP (in INR Trillion) and Real GDP Growth (%), India, FY2019-FY2029F



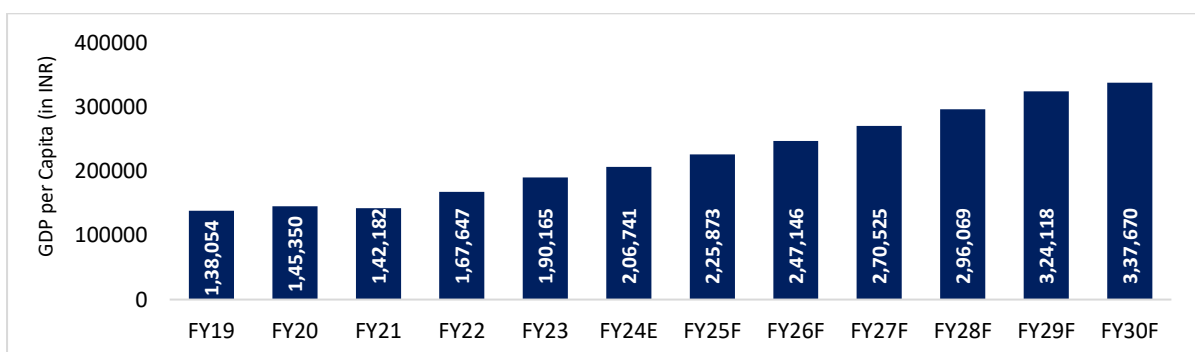
Note: E: Estimate, F: Forecast. Data in parentheses indicates negative value; India's data is represented in fiscal years. For e.g. FY19 stands for April 2018 to March 2019; Source: IMF, Ministry of Statistics and Programme Implementation (MOSPI) – India, Frost & Sullivan

In FY2024, India's real GDP growth beat expectations to reach 8.2%, with India continuing to remain a global economic bright spot. With an average annual growth rate of 6.6% between FY2025 and FY2029, India is expected to overtake Japan in CY2025/ CY2026 ranking 4th globally and overtake Germany by CY2030 to become the 3rd largest economy in nominal GDP terms. Nominal GDP will surpass ~INR 486 trillion by the end of this decade. Massive consumer spending potential, availability of a highly cost-competitive and bilingual talent pool, steady growth in public capital expenditure, and strong manufacturing growth are some of the key long-term growth drivers.

2.2. Key Macroeconomic Growth Drivers for the Indian Economy

- Growing capital expenditure:** India has consistently recorded a rise in capital expenditure (capex) in the recent past, with the government capex rising at a CAGR of 18.4% from INR 2.4 lakh crore in FY2016 to INR 9.1 lakh crore in FY2024. For FY2025, capex target of INR 11.1 lakh crore has been set (a 11.1% year-on-year rise), positioning it at an estimated 3.4% of total GDP.
- Rising per capita income levels:** India's GDP per capita reached INR 206,741 (current prices) in FY2024 and is pegged at ~INR 337,000 by FY2030, rising at a CAGR of 8.5%. Technological integration, upbeat foreign and domestic investment streams, improving business policies, a conducive startup ecosystem, political stability, and a steady growth momentum will bolster domestic income levels and in turn consumer spending.

Exhibit 2.2.1: GDP per Capita (in INR), India, FY2019-FY2030F

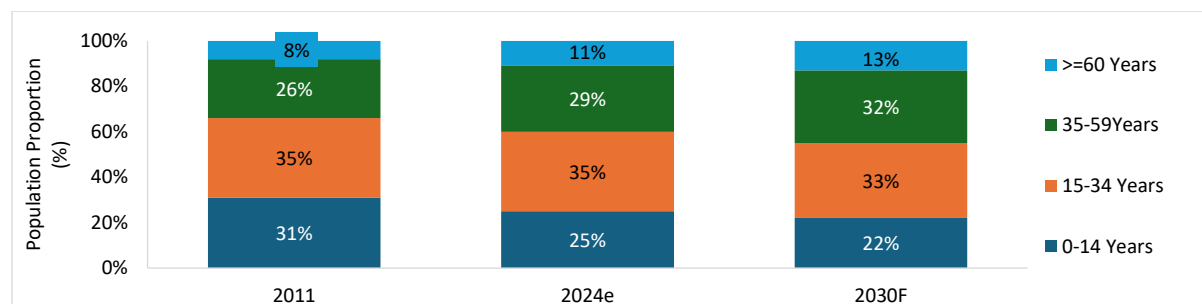


Note: E: Estimate, F: Forecast, Data is represented for fiscal years i.e. FY19 stands for the period between April 2018 to March 2019. GDP per capita is derived by dividing nominal GDP by total population. Sources: MoSPI, World Bank, Frost & Sullivan

- Demographic dividend and median age:** In CY2024, the 15-64 years age groups (i.e., the working age population) accounted for 68% of the Indian population and India's median age stood at 29.5 years compared to China's 39.8 years and Europe's 42.5 years. Comparatively high fertility rates will ensure that the young population sees steady growth through CY2030 – a trend that will maintain India's demographic dividend.

Moreover, a skilled labour force will help establish economies of scale in manufacturing, healthcare, logistics, construction, mobility, and ICT segments.

Exhibit 2.2.2 Population Proportion by Age-Groups (% of Total Population), India, CY2011, CY2024e, CY2030F



F: Forecast. Sources: United Nations Population Division – World Population Prospects 2024, Frost & Sullivan

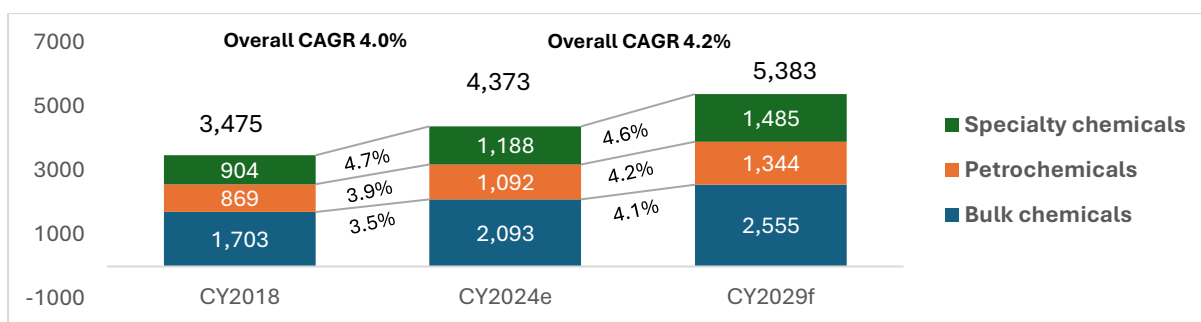
- **Promising export potential:** Rapid Special Economic Zones (SEZ) growth, expanding exports incentives, development of digital infrastructure, and greater scope for public-private partnerships will broaden India’s export potential, helping it surpass USD2 trillion in exports by the end of this decade.
- **Burgeoning Indian middle class:** As per OECD projections India will have the highest number of middle-class consumers globally – 1,375 million – by CY2040 outpacing China’s ~1,250 million. Rising per capita incomes and a steady economic growth momentum will buoy middle-class purchasing power over the coming decade, making them a key end-consumer target market for international and domestic firms. Robust GDP growth will also ensure that the national disposable income trajectory – for all income categories – remains upward bound through the end of this decade.
- **Expanding female labour force participation:** India is experiencing a changing socio-economic landscape with the workforce transitioning from being male dominated to rising contribution of females to national economic output. India is seeing rapid knowledge-based sectors’ growth, higher female literacy rates, and conducive fiscal policies. The female labour force participation rose to 37.0% in 2022-23 compared to 23.3% in 2017-18.²
- **Steady skilling-centric investments and multilingual workforce:** Skilling investments have taken centre stage not only through National Skill Development Corporation’s targeted reskilling/upskilling policies, but annual government budgets. For instance, the FY2025 Union Budget included a scheme for skilling of 20 lakh youth and upgradation of 1,000 Industrial Training Institutes. Along with India’s bilingual/ multi-lingual education system, the nation will remain an attractive foreign investment destination in the long-term.

3. Global Chemical Industry

The global chemicals market was valued around USD 4,373 Bn in CY2024e. India accounted for ~3.0% market share in the global chemicals market in CY2024e. Bulk chemicals accounted for 48% market share; specialty chemicals accounted for ~27% market share while petrochemicals accounted for ~25% market share in CY2024. The global chemicals market is expected to grow at 4.2% CAGR, to reach USD 5,383 Bn by CY2029.

Exhibit 3.1: Global Chemicals Market by Value in USD Bn (CY2018, CY2024e, CY2029f)

² MoSPI

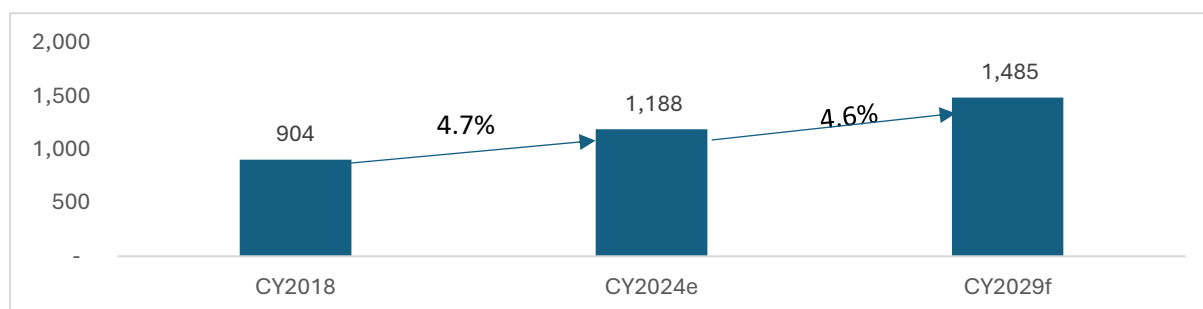


Note: A: Actual, F: Forecast, Source: Frost & Sullivan

3.1 Global Specialty Chemicals Market

Specialty chemicals are low-volume and high-value products which are sold based on their quality or utility. It is the fastest growing segment within chemicals market, which has increased from USD 904 billion in CY2018 to USD 1,188 billion in CY2024e. It is estimated to increase to USD 1,485 billion in CY2028 owing to increase in demand from end use industries such as automotive, construction, electronics, pharmaceuticals and food and beverages. Economic growth and urbanization, stringent environmental regulations, increased investments in research and development by major players will impact demand. Shifting consumer demand, driven by climate change awareness and decarbonization commitments, is significantly increasing the demand for specialty chemicals. Many specialty chemical manufacturers are backward integrated. In coming years, it is expected that vertical integration in the value chain will increase the market consolidation. The market will become more competitive, leading to further consolidation of the organized market.

Exhibit 3.1.1: Global Specialty Chemicals Market by Value in USD Bn (CY2018, CY2024e, CY2029f)



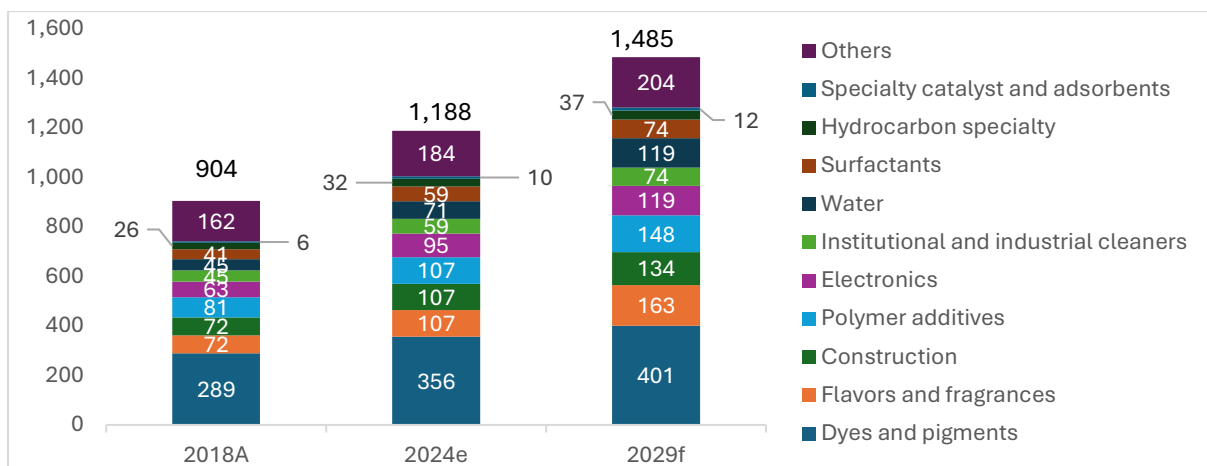
Note: A: Actual, F: Forecast, Source: Frost & Sullivan

3.2 Category Wise Segmentation of Global Specialty Chemicals Market (CY24 and CY29)

Specialty chemicals market is segmented based on application categories, including dyes and pigments, construction chemicals, electronics chemicals, food additives, surfactants, polymer additives, water treatment chemicals, specialty chemicals for hydrocarbons, fuel additives, specialty catalysts and adsorbents, among others. Dyes and pigments accounted for 30.0% share of global specialty chemicals in CY2024 and is an essential component in various industries, including textiles, paints and coatings, plastics, printing inks, and cosmetics.

In the next 5 years, the market share of flavours and fragrances is estimated to grow from ~ 9% in CY2024e to 11% in CY2029f growing fast at a CAGR of 8.8%. The trend towards lightweight materials in automotive and aerospace sectors is boosting the demand for polymer additives that enhance polymer performance. Specialty chemicals for hydrocarbons accounted for ~ 3% in global specialty chemicals market in CY2024. Specialty catalyst and adsorbent accounted for 0.8% of the global specialty chemicals market in CY2024.

Exhibit 3.2.1: Category Wise Segmentation of Global Specialty Chemicals Market by Value in USD Bn (CY2018, CY2024e, CY2029f)



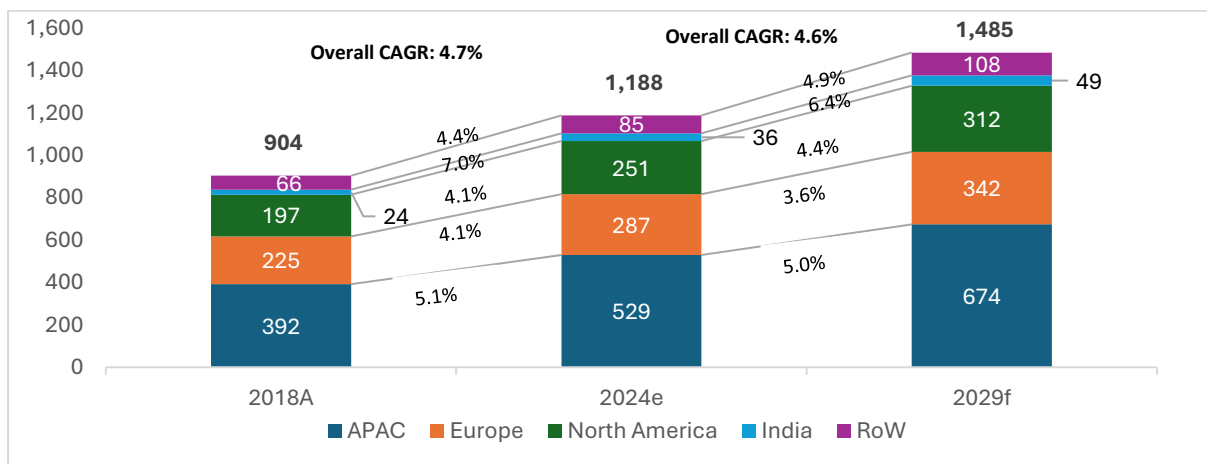
Note: A: Actual, F: Forecast; Source: F&S

3.3 Regional Segmentation of Global Specialty Chemicals Market (CY18, CY24e and CY29)

The Asia Pacific (APAC) dominates the market across the world, with a share of 44%, owing to the huge customer base, leading to high demand for specialty chemicals, increasing industrial production, and robust growth of the construction sector in the region.

Europe is a significant market for specialty chemicals, characterized by high demand from automotive, construction, and consumer goods industries. In CY2024, Europe accounted for 24 % of global specialty chemicals demand. The North American specialty chemicals market has moderate growth rate, with increasing focus on sustainable and high-performance chemicals. In CY2024, North America accounted for 21% of global specialty chemicals demand.

Exhibit 3.3.1: Global Specialty Chemicals Market by Value by Geography in USD Bn (CY2018, CY2024e, CY2029f)

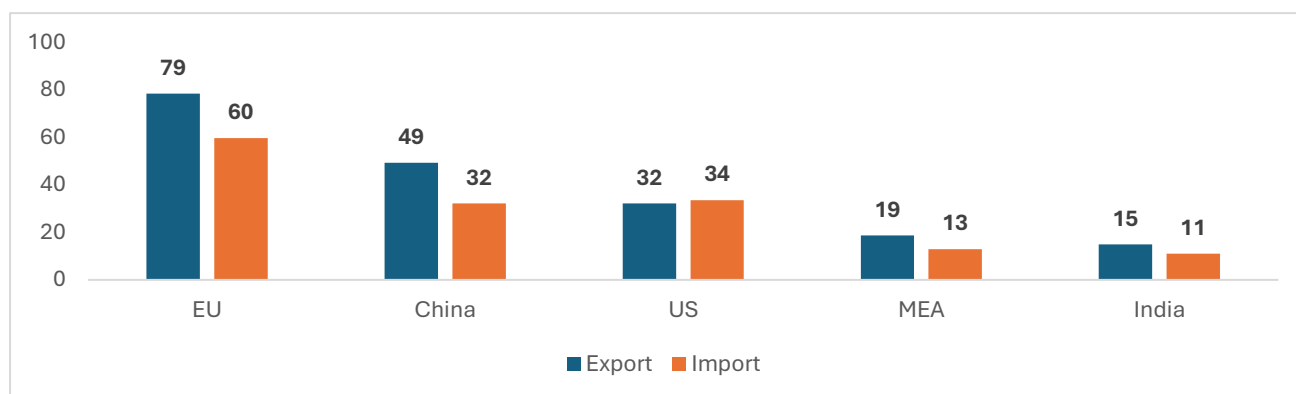


Note: A: Actual, F: Forecast, Source: Frost & Sullivan

Trade analysis:

India exported around USD 15 billion worth of specialty chemicals in 2023, predominantly to Asia, the US, and Europe. Competitive manufacturing costs, strong R&D, and government support for the chemical sector bolstered India's export growth. India has emerged as a significant player in the global specialty chemicals market, leveraging its cost-effective manufacturing capabilities, skilled workforce, and robust research and development infrastructure. The China +1 strategy, adopted by many multinational companies, aims to reduce dependence on China by diversifying their supply chains to other countries, including India for specialty chemicals. This strategy has had a profound impact on India's specialty chemicals industry over the last 2-3 years. As companies continue to diversify their supply chains, India's specialty chemicals industry is poised for further growth and increased global influence.

Exhibit 3.3.2: Import Export Analysis of Specialty Chemicals by Key Countries in CY2023, (USD Bn)



Source: Frost & Sullivan

3.4 Growth Drivers for Global Specialty Chemicals Industry

The global specialty chemicals market is a vital segment of the chemical industry, characterized by the production of high-value chemicals used for specific applications across various industries. Economic growth and urbanization, shift towards sustainable and green chemicals, technological advancements and innovation, R&D investments, and strategic collaborations, etc. are key important drivers of for growth of global specialty chemical industry.

3.5 Major Challenges in Global Specialty Chemicals Industry

The global specialty chemicals industry, despite its significant growth and innovation, faces several challenges that can impact its overall performance and sustainability. These challenges arise from various factors, including regulatory pressures, environmental concerns, market dynamics, and technological advancements. Raw material price volatility, regulatory compliance, shift towards bio-based chemicals and carbon footprint reduction, economic and geopolitical factors, etc. are key challenges for growth of global specialty chemicals industry.

4. India Chemical Industry

4.1 India's Opportunity in Specialty Chemicals

India's chemical industry is one of the most diversified globally, and the specialty chemicals segment represents a significant growth area. With the global shift towards sustainability, technological advancements, and changing market dynamics, India is uniquely positioned to capitalize on these opportunities. Following are the key opportunity drivers for India:

- **Growing domestic demand:** The rise in domestic demand for specialty chemicals is driven by the growth of end-user industries such as pharmaceuticals, personal care, and textiles. Increased healthcare spending and the expansion of the pharmaceutical industry are boosting demand for specialty chemicals used in drug formulation and manufacturing.
- **Export potential:** India has a significant opportunity to increase its share in the global specialty chemicals market through exports. India's cost advantage due to lower labour and production costs makes it an attractive supplier of specialty chemicals as well as conscious efforts of companies to diversify their supply chain to reduce dependence on China.
- **Government initiatives and support:** The production linked incentive scheme incentivizes domestic manufacturing of specialty chemicals, boosting production capacity and competitiveness. The outlay of PLI scheme is around 1.97 Lakh Crore for 14 key sectors. Till Nov 2023, over Rs. 1.03 lakh crore of investment was completed through PLI scheme.
- **Technological advancements:** Adoption of advanced technologies such as digitalization, automation, and green chemistry is transforming the specialty chemicals industry in India. Investment in R&D and

technological advancements can lead to the development of innovative and high-performance specialty chemicals. Green chemistry and eco-friendly processes align with global sustainability goals, attracting environmentally conscious customers.

Comparison of India with others

- **Low operating costs:** India's operating costs are significantly lower compared to developed countries, providing a competitive advantage in manufacturing. Labor cost in India was around USD 1.00 / hour while it was USD 5.00 / hour in China in CY2024. With a large and young workforce, India offers high productivity at lower wages. Availability of locally sourced raw materials minimizes transportation costs and import dependencies. India's extensive agricultural sector provides a steady supply of feedstock for bio-based specialty chemicals.
- **Skilled labour:** Skilled researchers and scientists contribute to innovative product development and process improvements. A skilled workforce drives innovation and enhances the quality of specialty chemicals. Technical expertise ensures efficient and high-quality production processes.
- **Utilities and infrastructure:** India has been making significant strides in improving its utilities and infrastructure, which are critical for the specialty chemicals industry. Improvements in the energy sector ensure a stable and reliable power supply to industrial units. Increasing investment in renewable energy sources supports sustainable manufacturing practices. A well-developed logistics network, including ports, railways, and roadways, facilitates efficient transportation of raw materials and finished goods.
- **Capital costs:** India offers several financial incentives and a favourable investment climate that reduce capital costs for setting up and expanding specialty chemical operations i.e. various subsidies and grants, tax incentives and exemptions and liberalized FDI policies
- **Intellectual property rights:** India has strengthened its IPR regime to provide better protection and enforcement, encouraging innovation and investment in the specialty chemicals sector. Robust patent laws (e.g. Patents (Amendment) Rules, 2021) protect innovations and proprietary technologies. Effective enforcement mechanisms deter infringement and provide legal recourse for violations. India's compliance with the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement aligns its IPR standards with global norms.

4.2 India the next chemical manufacturing hub

Traditionally, the European Union (EU) and United States (US) were the key chemical hubs globally. Together they contributed to nearly 40% of global chemical sales till 2006. However, the Great Recession of 2008 changed everything. Developing countries started faring better than the relatively mature economies of the West. Over the last decade, the core of the chemical industry has shifted from the West to Asia, with China being the key benefactor. Manufacturers in the Asian region enjoy low labour costs, relatively relaxed environmental norms and government subsidies.

China's chemicals industry continues to surpass all other nations. This is reflected in rising China's share in global chemical sales, which increased from 24% in 2010 to 37% in 2018. During this phenomenal growth period, the focus of China was more on infilling the huge and rapidly growing domestic demand. The domestic chemicals industry in China is witnessing a slowdown as a result of slower economic growth. The Chinese government is imposing strict norms on chemical manufacturers forcing them to shut-down their plants. As a result of this many multinationals are shifting their base to India. Triggered by the evolving geopolitical scenario in China there is a trend to diversify from the existing core manufacturing markets, firms are seeking to make their supply chains more resilient. With its strong value proposition, India is the preferred destination.

The COVID-19 pandemic exposed vulnerabilities in global supply chains, particularly the heavy reliance on China for specialty chemicals. Lockdowns, factory shutdowns, and logistical challenges in China led to supply shortages and increased prices worldwide. Companies across the globe started adopting the "China+1" strategy to mitigate risks associated with over-dependence on China. India emerged as a favourable alternative due to its growing manufacturing capabilities, strategic location, and government support.

The US-China Trade war led specialty chemical players to look beyond China as a raw material supplier and manufacturing hub. In order to reduce the risk in their supply chains, global companies are concentrating on a

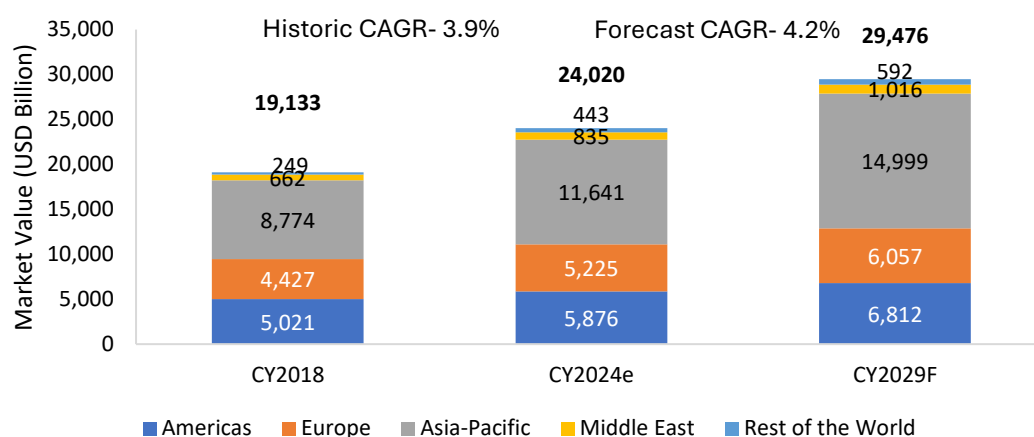
China+1 approach. Because of its cost advantage over China and its supportive laws and reforms, including the enabling of 100 % FDI in the chemical industry, India is uniquely positioned to gain from the shift away from China.

Indian chemicals sector is set for rapid growth, with specialty chemicals expected to be the most lucrative segment. India attracts investment as companies diversify away from China. Chemical industry revenue has been growing at an average rate of 15% in the last 5 years. The Indian chemicals sector stands out as one of the most rapidly advancing industries globally.

5. Global consumer market overview

Market for consumer staple and consumer discretionary across regions

Exhibit 5.1.1: Global Consumer Market, Region, USD Billion, CY2018-CY2029F



Source: Statista, Frost & Sullivan Analysis

In 2024, Asia-Pacific constituted the largest consumer market and accounted for a market share of 48.5% at a global level, the trend is expected to continue in 2029. Asia-Pacific region would see a growth of CAGR of 5.2% during 2024-2029. Followed by Asia-Pacific, Americans and Europe accounted for the second and third largest share with 24% and 22% shares respectively in 2024e.

Table 5.1.2: Global Consumer Market, Sectors, USD Billion, CY2018-CY2029F

Market/Sector	CY2018	CY2024e	CY2029F	CAGR (2018 – 2024)	CAGR (2024 – 2029)
Food	6,403	9,140	12,380	6.1%	6.3%
Beverage	2,943	3,356	3,853	2.2%	2.8%
DIY & Hardware Store	2,504	2,935	3,288	2.7%	2.3%
Apparel	1,586	1,820	2,069	2.3%	2.6%
Tobacco Products	818	968	1,089	2.8%	2.4%
Consumer Electronics	855	950	1,039	1.8%	1.8%
Furniture	612	765	931	3.8%	4.0%
Household Appliances	563	720	897	4.2%	4.5%
Beauty and Personal Care	550	646	770	2.7%	3.6%
Accessories	518	578	620	1.8%	1.4%
Footwear	520	522	535	0.1%	0.5%
Luxury Goods	286	369	460	4.3%	4.5%
Hygiene Products	262	352	460	5.0%	5.5%
Toys and Hobby	264	349	435	4.8%	4.5%

OTC Pharmaceuticals	158	202	252	4.2%	4.5%
Home and laundry Care	160	200	235	3.8%	3.3%
Eyewear	131	148	163	2.1%	2.0%
Total	19,133	24,020	29,476	3.9%	4.2%

Source: Statista, Frost & Sullivan Analysis

Note: Wellness especially services such as Spa are considered under Beauty and Personal Care segment

Food and Beverages (including alcoholic, non-alcoholic and hot beverages) were the two major sectors with highest consumption. Out of all the major categories in the consumer market, food dominates the with a market share of 38% in 2024e and is expected to be 42% by 2029. Food as a sector has also witnessed the highest CAGR of 6.1% during 2018-2024e and would continue to see a growth of CAGR 6.3% till 2029.

Beverage is the second largest sector after food and accounts for a market share of 14% in 2024e. The segment registered a CAGR of 2.2% during 2018-2024e and is expected to grow at a CAGR of 2.8% till 2029. Asia Pacific and Americas are the largest markets for this sector with a significant consumption of both alcoholic and non-alcoholic beverages.

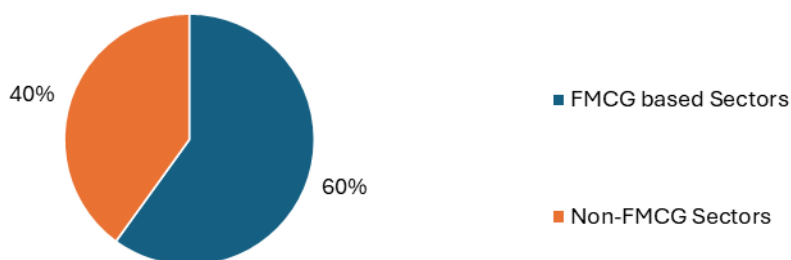
The global beauty & personal care market was valued at USD 646 billion in 2024e and is expected to reach USD 770 billion by 2029f, growing at a CAGR of 3.6% during the forecast period, 2024e to 2029. The beauty & personal care market offers a wide range of products. These include skin care products, color cosmetics, deodorants, bath & shower products, hair care products, oral care products, male toiletries, and sun care products. Key growth enablers include increasing demand for anti-aging products; rising awareness of children's oral hygiene; higher sales due to rising e-commerce; among others. The global beauty & personal care market observes significant demand for multifunctional products owing to their convenience in terms of time and function. The men's grooming market is expected to be one of the most prominent sectors.

Most of end use industries that GEM Aromatics caters to through its diverse range of product portfolio falls into Food & Beverage, Flavours & Fragrance, Beauty & Personal Care and Pharmaceuticals sectors. These sectors have minimal impact from any external factors like geopolitical situation, pandemic etc.

Apart from food and beverages, hygiene products registered significant CAGR of 5.0% between 2018-2024e and is expected to continue growth at CAGR 5.5% till 2029.

Food, Beverage, Tobacco Products, Beauty and Personal Care, OTC Pharmaceuticals and Home and laundry Care are considered as part of FMCG based sectors (Fast Moving Consumer Goods), which collectively contributes to over 60% of the total consumer market. (Note: The share will be much lower if only processed foods and beverages are considered)

Exhibit 5.1.3: Global Consumer Market, Sector Split, CY2024e, USD Billion



Source: Frost & Sullivan Research & Analysis

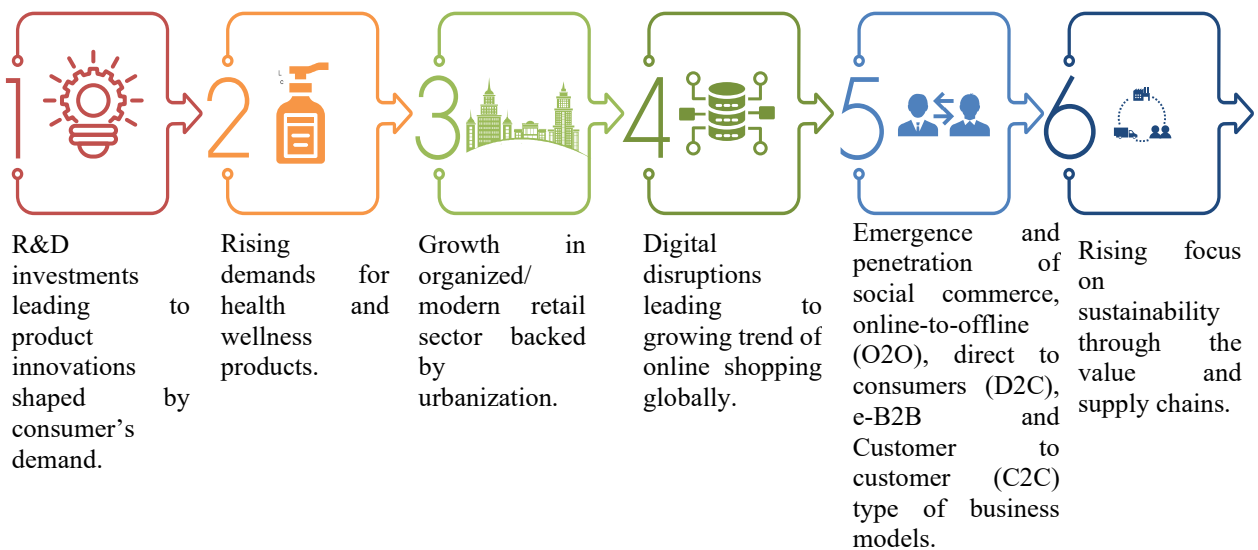
Global FMCG industry drivers for the next 5 years

- 1. Expansion in the organized retail sector** – Organized retail sector is a customer-oriented segment within FMCG industry. The global increase in disposable income especially in developing economies along with factors such as changing lifestyles, expansion of the middle-income sectors in developing nations, increasing awareness among the consumers and strong influence of urban marketing is supporting the growth of organized retail sector and thereby providing the necessary push to the FMCG industry. The growth of organized retail sector is projected at over 8% in the next 5 years globally.



2. **Rising population with direct impact on the consumer staples-** The global rise in population is anticipated to increase, projected to reach 8.5 billion in 2030, and to increase further to 9.7 billion in 2050. Rise in consumer staples consumption is closely linked to population increase, which is considered a major driver for the FMCG sector.
3. **Higher Penetration of internet and social media-** The increased penetration of internet and social media among the mass population has propelled the growth of internet advertising, globally. 77% of small businesses use social media to connect with their customers. The internet and social media-based marketing is anticipated to register a CAGR of ~7% in the next five years. The convenience offered and wide range of product availability through the ‘one-click’ shopping experience and D2C model is driving the FMCG industry ahead.
4. **Frequent new product launches-** The food industry is the most significant industry which contributes to FMCG sector’s growth. Growth strategies used by the established industry giants is product development and new product launches along with product premiumization.

Global FMCG key Trends

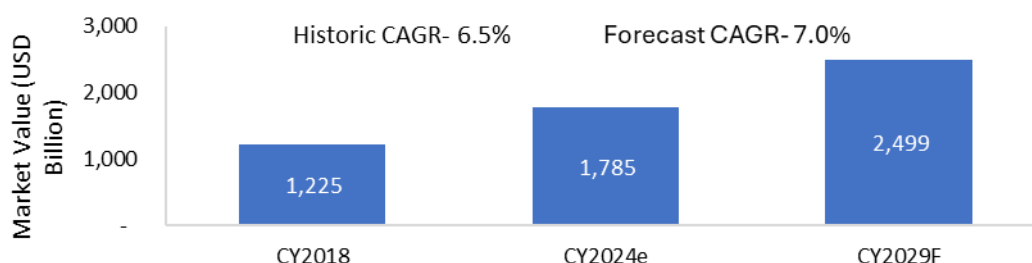


Source: Frost & Sullivan

6. India consumer market overview

6.1. Market for consumer staple and consumer discretionary in India

Exhibit 6.1.1: India Consumer Market, USD Billion, CY2018-CY2029F



Source: Statista, Frost & Sullivan Analysis

India is among the fastest growing consumer market with a growth CAGR of 6.5% between 2018-2024e and a continued growth of CAGR 7.0% till 2029f. The market is characterized by significant consumption expenditure because of increasing disposable income among the middle-class population, high awareness of FMCG products among the consumers and shift in lifestyles followed by product advertisement and marketing and strengthened supply chains.

Table 6.1.2: India Consumer Market, Sectors, USD Billion, CY2018-CY2029F

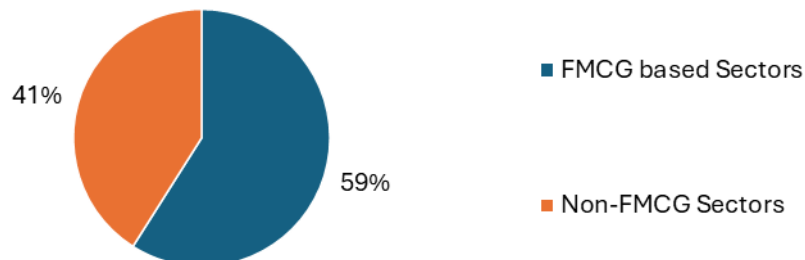
India	CY2018	CY2024e	CY2029F	CAGR (2018 - 2024)	CAGR (2024E -2029F)
Food	529	887	1,305	9.0%	8.0%
DIY & Hardware Store	200	223	245	1.8%	1.9%
Luxury Goods	110	180	296	8.6%	10.5%
Apparel	110	125	148	2.2%	3.4%
Beverage	75	100	138	4.9%	6.7%
Consumer Electronics	50	67	89	5.0%	5.8%
Household Appliances	42	59	84	5.8%	7.3%
Beauty and Personal Care	25	32	45	4.2%	7.1%
Footwear	24	28	33	2.6%	3.3%
Toys and Hobby	20	27	39	5.1%	7.6%
Tobacco Products	10	13	17	4.5%	5.5%
Accessories	5	10	17	12.2%	11.2%
Home and laundry Care	6	8	11	4.9%	6.6%
OTC	5	7	10	5.8%	7.4%
Hygiene Products	5	7	8	5.8%	2.7%
Eyewear	5	6	8	3.1%	5.9%
Furniture	4	6	8	7.0%	5.9%
Total	1,225	1,785	2,499	6.5%	7.0%

Source: Statista, Frost & Sullivan Analysis

Mirroring the global trend, food as a consumer market in India contributes to over 49% of the total size and also among the high growth sectors. A CAGR of close to 8% is expected until 2029 in this sector. High DIY & Hardware Store value reflects high construction real estate segments in the country, however unlike other high growth sectors the market is mature and would see a CAGR of ~ 1-2% till 2029.

Food, Beverage, Tobacco Products, Beauty and Personal Care, OTC Pharmaceuticals and Home and laundry Care are considered as part of FMCG (Fast Moving Consumer Goods) The FMCG based sector contribute to over 59% among all the consumer market sectors. (Note: The share will be much lower if only processed foods and beverages are considered)

Exhibit 6.1.3: India Consumer Market, Sector Split, CY2024e, USD 1,785 Billion



Source: Frost & Sullivan Research & Analysis

Luxury goods have been seeing higher growth due to change in consumer preferences and rising disposable incomes of the Indian middle class. The category is expected to grow at a CAGR of 10.5% from 2024-29.

FMCG spends across product categories in India

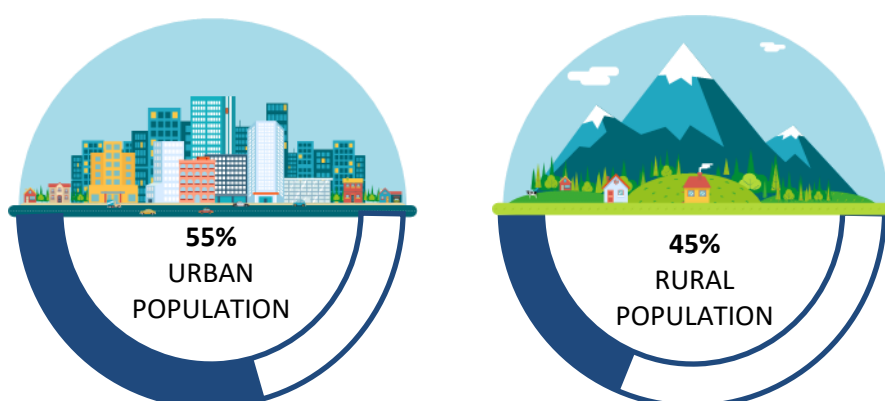
Increasing expenditure on packaged food is anticipated to be vital towards boosting the growth of the overall FMCG industry in India. The growth in FMCG sector is supported by inflation in prices and expansion in population. Other factors supporting the growth of the sector include increasing disposable income among the middle-class population, high awareness of FMCG products among the consumers and shift in lifestyles followed by product advertisement and marketing and strengthened supply chains.

The FMCG market is also driven by the retail industry in rural India and the rise in rural consumption. As a result, 36% of its overall expenditures are on FMCG. The market is also supported by various government programmes, such as the hygiene categories, high agricultural production, reverse migration, and packaged staples.

Spend across different income categories.

The urban population dominates the Indian FMCG industry contributes ~55% of the market for FMCG sectors. While the consumer in rural settings hold high growth potential and contribute ~45% as of 2024e. The distribution of consumers population in India is such that ~65% of Indians live in rural areas. The rural area population of consumers projected higher growth rate than the urban consumers as there is still high penetration scope. Increased marketing and advertising of products, rising awareness through online channels and ease of access are the major driving factors of growth in the rural economy.

Exhibit 6.2.1: Contribution of Urban and Rural Population towards Indian FMCG sector



Source: Frost & Sullivan Analysis

Assessment of long-term drivers and trends supporting consumer market and personal consumption/discretionary spend in India

Demographic factors	<ul style="list-style-type: none"> • Largest working age population dominated by millennials • By 2030, around 140 million middle-income consumers along with 21 million high-income households will be added to the country • Approximately 25 million people will move out of poverty backed by the income growth; and it is projected that by 2030 • 40% of Indians will live in urban settings- cities by 2030 • Higher connectivity with improved road infrastructure
Consumer shift in lifestyle	<ul style="list-style-type: none"> • The private-label and grocery largely contributes to the organized retail sector's growth and is projected to contribute up to 50% of the sales through organized retail. • E-commerce is the fastest growing sectors in the organized retail sector growing at a CAGR of ~15-20% in the next five years
Growing Premiumisation Trend	<ul style="list-style-type: none"> • The premiumisation trend in India is being driven by India's primary consuming class, India 1, which consists of 30mn households (approximately 120mn people) and has a per capita income of USD 15,000. • Premiumisation in FY2024 resulted in profitability growth surpassing revenue growth, allowing investors to concentrate on sectors with significant growth potential to capitalise on this paradigm shift.
Surge in New Brand Entries in 2024	<ul style="list-style-type: none"> • Entry of international brands into the Indian market fuelled by increasing incomes of Indian consumers and their preference for premium products, as per retail analysts. • Franchise India Holdings Ltd. reports that up to 160 brands are currently in discussions and seeking partners to penetrate the Indian retail market. These brands are anticipated to invest approximately USD 250mn and establish 5,000 stores through the franchise route over the next five years.
Current trend in the segment-move towards natural products	<ul style="list-style-type: none"> • Consumers in India are moving towards natural and sustainable products with high investments seen in health and wellness sector. The current trend is anticipated to create high revenue generation opportunities for players operating in homecare, wellness, sustainable, organic, and dietary supplement segments. • Post-pandemic more than 50% of the Indian consumers have increased their expenses in healthcare products
Regulations, Incentives, Tax Benefits	<ul style="list-style-type: none"> • Indian government has taken several measures to revive the economy and to return to a normal to high growth trajectory post COVID-19 pandemic. These include: Aatmanirbhar Bharat Abhiyan and production linked incentive (PLI) schemes.

Source: Frost & Sullivan Analysis

Attractiveness of India as a destination for global FMCG players

The FMCG sector in India valued at approximately USD 1,047 Bn in 2024e (Includes all the consumer markets considered as part of FMCG) and is projected to grow at a CAGR of ~7.8% during 2024-2029. FMCG is among the top five GDP contributors in the country. India exhibits a stable economic growth, favourable demographics, and infrastructure which has led to global players investing in the country's growing FMCG sector. Rapid surge in population along with growing middle-income consumer group are other factors contributing largely to the growth of the sector making India an attractive economy to tap into.

Food and beverage, healthcare and personal care and homeware are the major segments to fuel the growth of FMCG sector in India, these contribute to over 59% of the total consumer market. The FMCG sector is competitive and dominated by organized as well as unorganized entities in India.

The market in India is quite fragmented where the local or regional players hold significant market shares as compared to other established MNC giants in few major segments. The unorganised Mom and Pop stores dominates the Indian retail sector (~70%) largely and contributes significantly to the FMCG sector.

The trend of online food shopping has picked pace even more after the COVID-19 pandemic. The Indian e-commerce market is anticipated to grow from USD 85 billion in 2023 to USD 185 billion in 2026. By 2030, it is expected to have an annual gross merchandise value of USD 350 billion. Local players and brands, regional start-ups are placing a strong emphasis on brand development to gain consumers traction and increase their consumer base.

Government initiatives such as 51% foreign direct investment (FDI) in multi-brand retail and 100% FDI in food processing have further propelled the growth and inclination for global companies to look at India as a sourcing destination. Broad manufacturing base with cost-competitive product development and manufacturing are one of the key reasons for multinational FMCG players to look at India as a major sourcing hub.

According to a recent BCG report, the average cost (including the factory wages, productivity, logistics, tariffs, and energy) of Indian-made goods that are imported into the US is about 15% lower as compared to the goods manufactured in the US. India provides a workforce that is cost-effective and easy to train, as well as a domestic market with an expanding consumer base.

Current trends Indian FMCG industry

1. High emphasis on Health and Wellness – Food and beverage, household and personal care and healthcare are the three major segments of the FMCG industries where the demand for health and wellness products are at the peak and is increasing year-on-year. Consumer's demand for these products became highly significant post COVID-19 pandemic when the consumption of immunity boosting wellness products and supplements gained momentum. Consumers are becoming highly aware about these products and consider buying them with labels indicating organic, natural, superfood, 'free-from' etc. Healthier snacking built on familiar ingredients such as oats and millets is targeted to improve penetration levels. The ongoing trend among the consumers is expected to impact in the coming years and could be seen as an opportunity for players to enter the healthy ingredient/product space in the FMCG industry.

2. Growth of digital commerce and digital advertising- Digital advertising in India is anticipated to grow at ~23% CAGR by 2025 and will be valued above INR 620 billion in 2025. FMCG industry is the biggest contributor (~45%) of the overall digital spends on advertising. Indian customers have become digitally inclined and FMCG companies can reap benefits of this trend by connecting with customers via e-commerce websites, social media, and mobile apps among others.

3. Fuelling growth in the personal care industry- Household and personal care accounts for over 50% of FMCG sales in India. The personal care industry is anticipated to experience high growth in India supported by increasing demands for skincare and cosmetic products. In the personal care and cosmetics space, naturally derived substances from plants and other natural sources are gaining popularity among the consumers. India's rising standard of living and economic growth is fuelling the market for personal care business in the country.

4. Focus shifting from Millennials and GenZ population of consumers to 45+ age group- The population of Gen Z and millennials in India though together is ~51% which had made them key consumers to focus on. The new trend is to look at age group of 45+ and focus on product providing specific health benefits. According to experts, by 2050, 40% of India will be 45+ age. Due to the mental and bodily changes happening with age, people are consciously looking to make specific food choices that could act as medicine. This consumer segment has the

proclivity to spend, and food accounts for the bulk of the share of their wallet. This has led to higher marketing of healthy and convenience products along with efficient and quick delivery modes to suit the consumer demands.

5. The Rise of Quick Commerce in India: Revolutionising Retail and Last-Mile Delivery - The Indian e-commerce scene has recently changed due to quick commerce. Beyond traditional ready-made meals, the idea of fast deliveries has spread to cover a variety of goods like groceries, medications, cosmetics, and gadgets, fusing the ease of home shopping with the quickness of instant market purchases. This creative concept promises to transform the market by meeting consumer demand for everyday necessities like groceries, fruits, veggies, etc. Convenience, urbanization, and hectic lifestyles are some of the major issues that have impacted consumer behaviour and led businesses to prioritize faster delivery times. Due to social isolation and work-from-home policies that discouraged in-store visits, the pandemic further exacerbated these needs. This rise of quick commerce is further driving growth across all FMCG categories.

7. Global market overview for food, home, and personal care

The Food, Home and Personal Care industries have been among the high growth sectors in both developed and emerging economies.

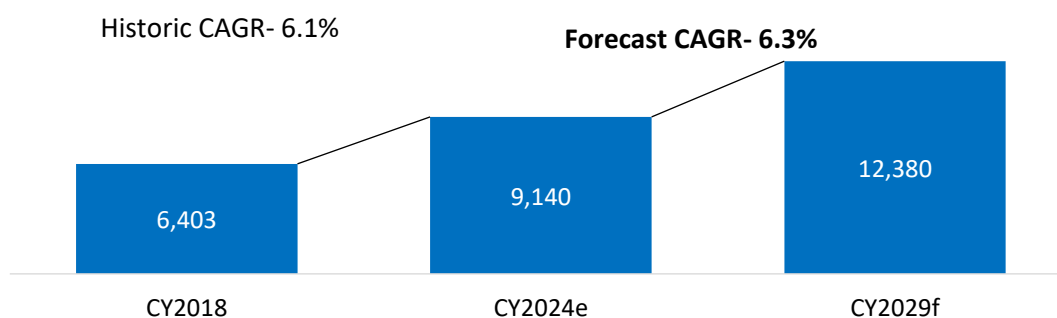
Categories like Instant foods and ready-to-eat snacking items with nutritional offerings saw higher penetration during the pandemic. Retailers saw continued growth in health and hygiene category products as well as in food, personal care, and home care items unlike in apparels or cosmetics.

The global food industry saw a growth CAGR of 6.1% between 2018 and 2024. In India the total growth was not impacted, and it continued to grow at CAGR 9.0% for the same period. Even during pandemic, some segments like convenience food, confectionery and snacks saw double digit growth of over 10%. Globally, the home care sector also saw a growth of CAGR 3.1% during the pandemic whereas the Indian market grew at 6.6% for the same period.

Most products find applications in these industries and thus is more resilient to external factors such as pandemic, geopolitical tensions, trade wars etc. The company has observed growth in sales over the years and the same is expected moving forward with addition of new products in the portfolio catering to Food and Home and Personal Care industries.

7.1 Global food industry overview

Exhibit 7.1.1: Global Food Industry, USD Billion, CY2018-CY2029F

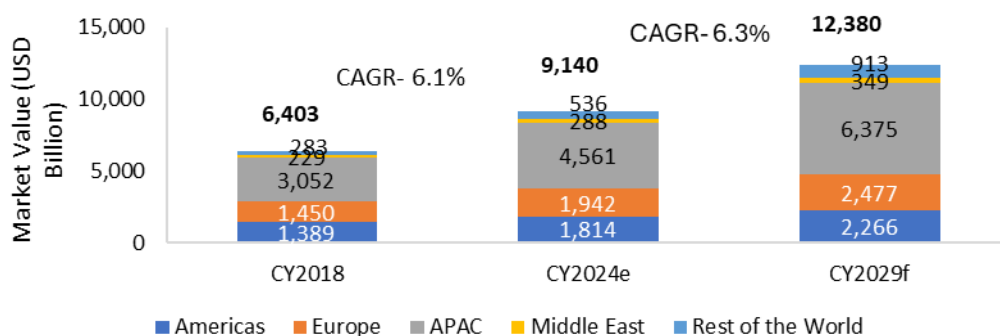


Source: Frost & Sullivan Analysis

Note: Above numbers are production figures

The global food industry is valued at USD 9,140 billion in 2024 and has witnessed a CAGR of 6.1% during 2018-2024e. The market is anticipated to further register a CAGR of over 6.3% during the forecast period of 2024e to 2029f. Economic growth leading to rise in disposable income is expected to increase the sales of food products through online channels thus impacting the revenue generation positively. Global demand for food is anticipated to continue to increase at a steady pace over the coming years. Rising food demand is majorly from the low- and middle-income countries due to economic development, growth in young population, and non-saturation of food consumption.

Exhibit 7.1.2: Global Food Industry, By Region, USD Billion, CY2018-CY2029F



Source: Frost & Sullivan Analysis

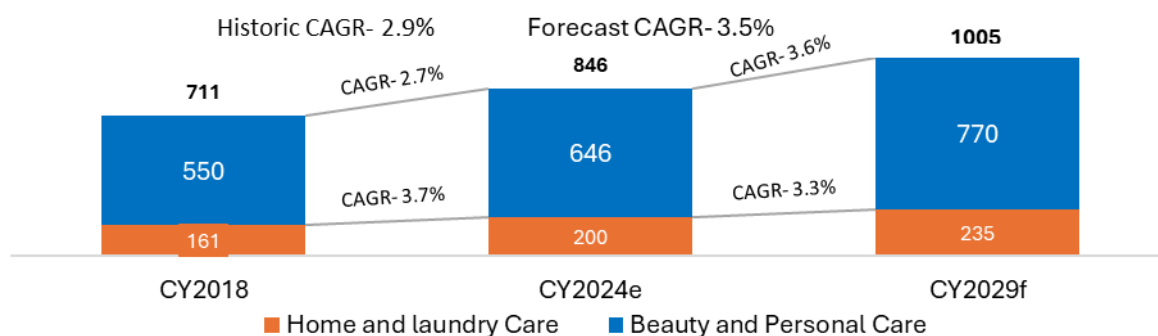
Asia-Pacific region account for ~50% of the overall market share in 2024e. Followed by APAC, Europe, and Americas together account for a market share of ~41% in the global food industry.

Table 7.1.3: Global Food Industry, By product type, USD Billion, CY2018-CY2029F

	CY2018	CY2024e	CY2029f	2018-24 CAGR	2024-29 CAGR
Baby Food	48	68	89	6.0%	5.5%
Bread & Cereal Products	867	1247	1709	6.2%	6.5%
Confectionery & Snacks	1170	1606	2135	5.4%	5.9%
Convenience Food	400	592	803	6.8%	6.3%
Dairy Products & Eggs	726	1060	1464	6.5%	6.7%
Fish & Seafood	430	614	833	6.1%	6.3%
Fruits & Nuts	537	784	1062	6.5%	6.3%
Meat	974	1337	1787	5.4%	6.0%
Oils & Fats	168	231	314	5.5%	6.3%
Pet Food	80	136	179	9.2%	5.6%
Sauces & Spices	165	238	321	6.3%	6.2%
Spreads & Sweeteners	164	245	343	6.9%	7.0%
Vegetables	675	980	1342	6.4%	6.5%
Total	6,403	9,140	12,380	6.1%	6.3%

7.2 Global home and personal care industry overview

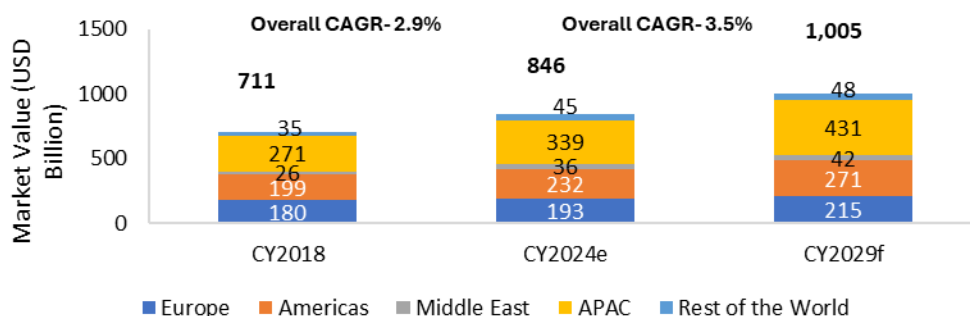
Exhibit 7.2.1: Global Home and Personal Care Industry, USD Billion, CY2018-CY2029F



Source: Frost & Sullivan Analysis

The global home and personal care industry is valued at USD 846 billion in 2024e and has witnessed a CAGR of 2.9% during 2018-2024e. The market is anticipated to further register a CAGR of over 3.5% during the forecast period. By 2029, the beauty and personal care industry is projected to be valued at USD 770 billion holding a major share of 77%. While home and laundry care is evaluated to reach USD 235 billion with a CAGR of 3.3% during 2024e-2029f.

Exhibit 7.2.2: Global Home and Personal Care Industry, By Region, USD Billion, CY2018-CY2029F



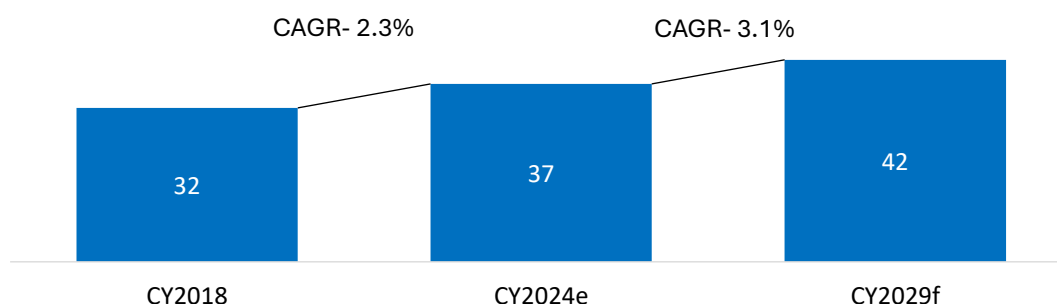
Source: Frost & Sullivan Analysis

Asia-Pacific region contributes largely to the home and personal care industry accounting for ~40% of the overall market share in 2024e. The region generated a revenue of USD 339 billion during the stated period and registered a CAGR of 3.8% from 2018-2024e. Followed by APAC, Americas and Europe accounted for a share of 27% and 23% respectively in 2024e. By 2029, APAC is estimated to retain its dominance in the segment with ~43% market share and is projected to register a CAGR of 4.9% during 2024e and 2029f.

Global Oral Care Industry

The global oral care industry is valued at USD 37 billion in 2024 and has witnessed a CAGR of 2.3% during 2018-2024e. The market is anticipated to further register a CAGR of over 3.1% during the forecast period of 2024e to 2029f. Global oral care forms part of personal care segment & constitutes 5.7% of the total market in CY24 and will constitute for 5.5% of the total market in CY29.

Exhibit 7.2.3: Global Oral Care Industry, USD Billion, CY2018-CY2029F



Source: Frost & Sullivan Analysis

Some of the key factors driving the market growth are the increasing prevalence of dental diseases, the ageing population susceptible to dental caries, unhealthy food habits, and product innovation. The increasing prevalence of mouth cancer, tooth decay, and other periodontal diseases globally contributes to the consumer demand for oral care products, such as toothpaste, toothbrushes, and mouth rinses. For instance, the WHO 2022 report projected that oral diseases affect close to 3.5 billion people globally.

Regionally, Asia Pacific is the largest global market, valued at USD 12.5 billion in 2024e contributing 33% to the overall market. The aged population is more likely to suffer tooth loss, tooth decay, and gum problems. The market dominance of the Asia Pacific region is attributed to the large presence of the aged population in countries, such

as China and Japan, which results in the large consumption of oral care products. Additionally, higher people's preferences toward consuming herbal toothpaste products further drive the market's growth.

By product type, the market is segmented into toothpaste, toothbrush, mouthwash, and others. Toothpaste segment led the market in 2024e due to the availability of several toothpaste flavors along with its different categories, such as sensitivity control, mouth freshener, whitening, tooth decaying control, gum protection, and others, result in a significant share of the toothpaste segment. Additionally, the availability of toothpaste in paste, gel, liquid, spray, and capsule variations largely drives the segment growth. However, the toothbrush segment witnessed significant growth due to the introduction of advanced teeth cleaning brush items by prominent companies that acted as a reason for consumers' attraction toward these products.

Some of the major players in toothpaste market includes Colgate, Close-up, Pepsodent, Sensodyne, Oral-B, Meswak, Dabur Red Toothpaste, Patanjali, Himalaya, among others. There is dominance of GEM Aromatics in the oral care segment with customers such as Colgate, Dabur, Patanjali.

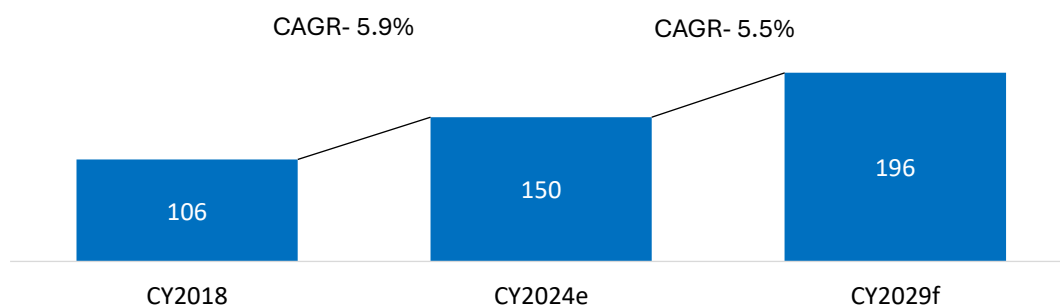
Global Wellness Industry

By focusing on health, beauty has increasingly integrated itself into the wellness economy. The increasing consumer focus on self-care amid the pandemic has furthered the growth of the wellness market. Moreover, the concept of wellness has extended to areas such as skincare, which in the past was positioned within the beauty segment. One of the most recent trends is ingestible beauty, namely, products that promise weight loss, clearer skin, and stronger hair through vitamins and supplements. Already popular in Asia, this trend is starting to gain traction around the globe. Alongside companies that promise beauty through ingestible products, other companies promote the health benefits that come with the adaptation of specific products and lifestyles and use their scientific expertise in the health sector to penetrate the market.

Global wellness market forms part of personal care segment & constitutes 23% of the total market in CY24 and will constitute for 25% of the total market in CY29.

The global wellness market size accounted for USD 150 billion in 2024e and is expected to be worth around USD 196 billion by 2029f, at a CAGR of 5.5% from 2024e to 2029f.

Exhibit 7.2.4: Global Wellness Industry, USD Billion, 2018-2029F



Source: Frost & Sullivan Analysis

The Asia Pacific wellness market size held a market share ~35% in 2024. Asia Pacific, owing to the presence of huge population, rising urbanization, rapid industrialization, favourable government policies to attract FDIs, and huge potential for growth of various sectors of the wellness industry has become the most lucrative market. The major economies such as China, India, Japan, and South Korea are the major contributors to the growth of the wellness market.

GEM Aromatics has been dealing with one of the major players in the health and wellness industry viz., doTERRA. It offers Essential Oils for people who care about improving their Health. It sources essential oils from all over the world. GEM Aromatics is a leading provider of essential oils.

7.3 Drivers and trends in global food, home and personal care industries

- **High demands for sustainably sourced ingredients and products-** Consumers increasing awareness about the carbon footprint has been driving the demand for sustainable products, globally. Traceability and transparency are among the top trends being adopted readily by the entities in the food industry to meet the consumers preferences. Emphasis on product traceability along with positive influence from social media channels is anticipated to gain traction based on the ongoing trend in the food, home, and personal-care industry.
- **Shift in food consumption pattern and demands-** Economic growth leading to increase in purchasing power is positively influencing the demand for better quality and variety of food products at a global level. Consumers are becoming more inclined towards natural, organic, and plant-based products. The demand for clean-label is also witnessing surge across the regions.
- **Integrated supply chains** – The just-in-time delivery trend has changed the dynamics of the global supply chain. The supply chain is influenced by globalization where the entities are engaging in low-cost local sourcing to suffice the customers demand for quick and on-time deliveries. This trend has resulted in companies investing in integrating their supply chains to improve the traceability and assisting in strengthening the supply chain.
- **Rise in demand for ‘better-for-you’ premium products-** As consumers are increasingly inclining towards health and wellness trend, they seek ingredient transparency. Consumers are looking for less-toxic, chemical-free, natural, and organic products in the homecare and personal care sectors. This has also led to the emergence of “professional” or “premium” personal care products in the global market. The trend can be ascribed to customers' growing awareness of the importance of product quality, ingredients, and sustainability when making purchasing decisions.

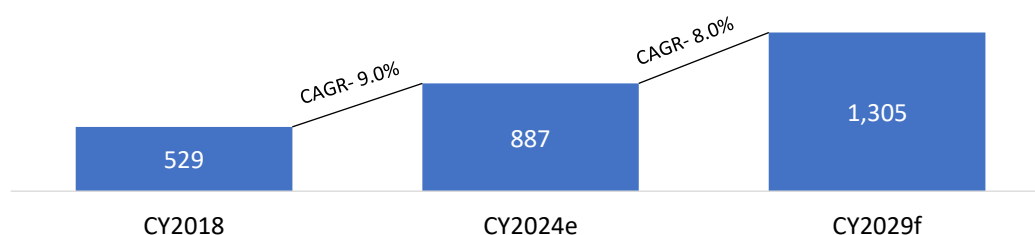
7.4 Consumer insights on food, home and personal care industries

- **Contribution of economic growth-** In developing countries like India, the growing middle-class population and rising disposable income are the key growth drivers for food, home and personal care segment. In India, the premium beauty and personal care products is anticipated to witness a CAGR of above 50% during FY21-26 and fragrances, makeup and cosmetics, and men's grooming are expected to register a CAGR of 20-40% between FY21-26. (Invest India)
- **Impact of online shopping-** post-pandemic online shopping culture grew exponentially where consumers readily adopted the e-commerce channels. The beauty and personal care industries benefited highly from this trend making margins as high as 60-70%. The direct-to-consumer trend in the beauty and personal care industry is pacing and has become a necessity for the consumers. Food, home and personal care industry is accelerating at a higher CAGR due to the consumers shift towards digitalization.
- **The consumers have become highly focused towards health and well-being** – This trend is increasing consistently post pandemic. They are willing to pay premium prices for quality and clean-labelled products. Today, globally consumers are curious to know the origin of the products they use and hence are highly inclined towards sustainable brands across the food, home, beauty and personal care sectors.

8. Domestic market overview for food, home and personal care

8.1 Indian food industry overview

Exhibit 8.1.1: Indian Food Industry Size, USD Billion, CY2018-CY2029F



Source: Frost & Sullivan Analysis

The Indian food industry is valued at USD 887 billion in 2024 and has witnessed a CAGR of ~9% during 2018-2024e. The market is anticipated to continue to pace with the CAGR of ~8.0% during the forecast period of 2024e to 2029f. In 2029, India will account for 10.5% of global Food industry and 20.5% of APAC Food industry.

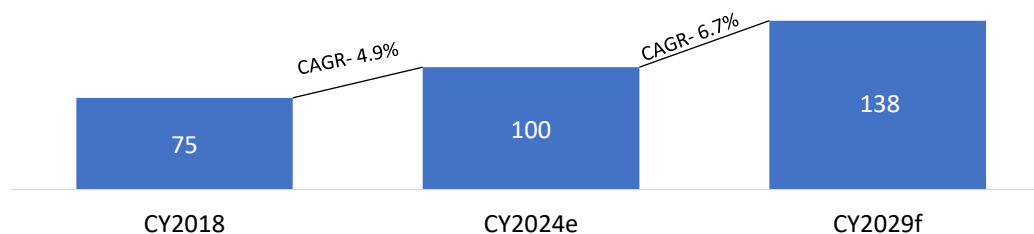
Table 8.1.2: Indian Food Industry Size by product type, USD Billion, CY2018-CY2029F

Key Segments	CY2018	CY2024e	CY2029f	2018-24 CAGR	2024-29 CAGR
Bread & Cereal Products	101	172	253	9.3%	8.0%
Confectionery & Snacks	63	109	164	9.6%	8.5%
Convenience Food	34	65	99	11.4%	8.8%
Dairy Products & Eggs	93	154	227	8.8%	8.1%
Fruits & Nuts	71	120	177	9.1%	8.1%
Others	166	267	386	8.2%	7.7%
Total	529	887	1,305	9.0%	8.0%

Economic growth followed by increased support to expand the production of locally sourced sustainable and traceable food is supporting the food industry in India. Government’s approval on PLI scheme in 2021 supports local production and sales along with boosting opportunities in the Indian food sector. Based on the incentives being offered to the manufacturers operating in the Indian food industry, the market is quite lucrative and holds high growth potential.

8.2 Indian beverage industry overview

Exhibit 8.2.1: Indian Beverage Industry, USD Billion, CY2018-CY2029F



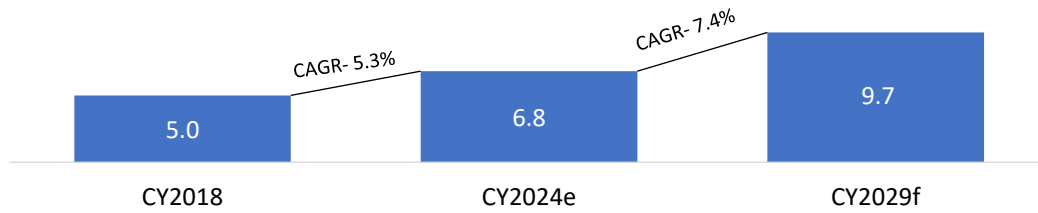
Source: Frost & Sullivan Analysis

The Indian beverage industry is valued at USD 100 billion in 2024e and is anticipated to witness a CAGR of ~6.7% during the forecast period of 2024e to 2029f and projected to be valued at USD 138 Bn. Sales of herbal tea and other functional hot beverages, other health drinks, witnessed high sales during the pandemic which supported the growth of hot beverages in the local market.

Indian beverage industry in India is driven by product innovations. Consumers have more inclination towards uniquely flavoured products available in new formats. Both in alcoholic and non-alcoholic segments, consumers readily experiment with new formats such as RTD (ready-to-drink) beverages, ciders in new flavours, low-sugar and no-calorie options such as those in sparkling water. The trend has been supporting the beverage industry over years and will continue to support the sales further.

8.3 Indian OTC drugs industry overview

Exhibit 8.3.1: Indian OTC Drugs Industry, USD Billion, CY2018-CY2029F



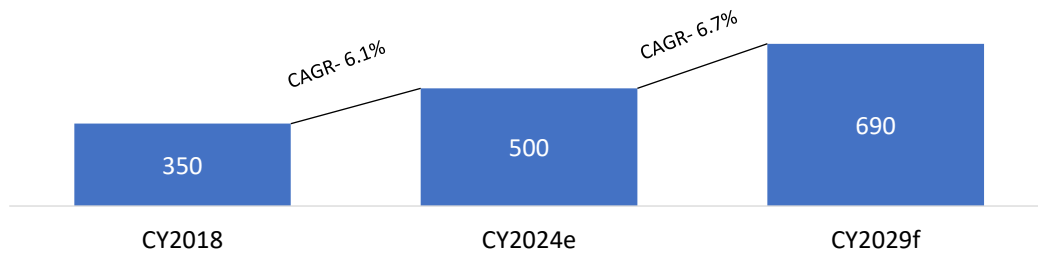
Source: Frost & Sullivan Analysis

The Indian OTC drugs industry is valued at USD 6.8 billion in 2024e and is anticipated to witness a CAGR of ~7.3% during the forecast period and will reach a market value of USD 9.7 billion by 2029f. The vitamins and mineral segment of OTC drug is anticipated to register the highest CAGR of 9.1% during the forecast period and will contribute largely to the OTC drug industry. A major strategy followed by pharma companies in India is seen to be launching products in new and improved flavours followed by focus on packaging, and delivery systems to create product differentiation. These key strategies are supporting the entities to gain consumer traction in the OTC drug/pharmaceuticals segment.

8.4 India pain management market

The pain management market (cream, gel, spray, and balm) size is estimated at USD 500 million in 2024, and is expected to reach USD 690 million by 2029, growing at a CAGR of 6.7% during the forecast period (2024-2029)

Exhibit 8.4.1: India Pain Management Industry, USD Billion, CY2018-CY2029F

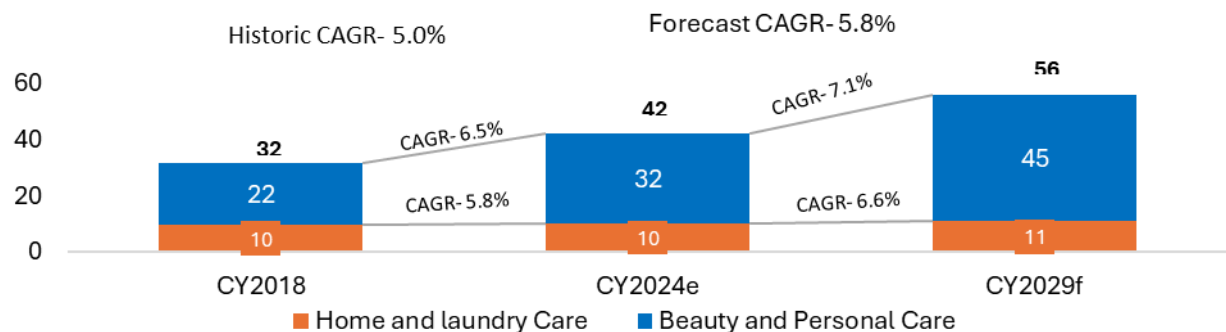


Source: Frost & Sullivan Analysis

Many of the products supplied by GEM Aromatics are used in this segment of OTC drugs. Pain management (cream, gel, spray, and balm) market forms about ~7% of the OTC drug market in India.

8.5 Indian home and personal care industry overview

Exhibit 8.5.1: Indian Home and Personal Care Industry, USD Billion, 2018-2029F



Source: Frost & Sullivan Analysis

The Indian home and personal care industry is valued at USD 40 billion in 2024e and is anticipated to register a CAGR of over 7.0% during the forecast period of 2024e to 2029f. By 2029, the beauty and personal care industry is projected to be valued at USD 45 billion holding a major share of ~80%. India will account for 5.6% of global Home and Personal Care Industry and 13% of APAC in 2029. While home and laundry care is to reach USD 11 billion with a CAGR of 6.6% during 2024e-2029f. Both the segments are driven by increasing demands for new and innovative products by consumers. The demand for products from naturally derived ingredients is fuelling the growth of this home and personal care industry. The application of fragrances is surging in the personal and home care industries. This is also supported by the rise in purchasing power for premium products majorly in the personal care sector (Cosmetics) where the application of fragrance is high.

9. Global flavours and fragrances market size analysis

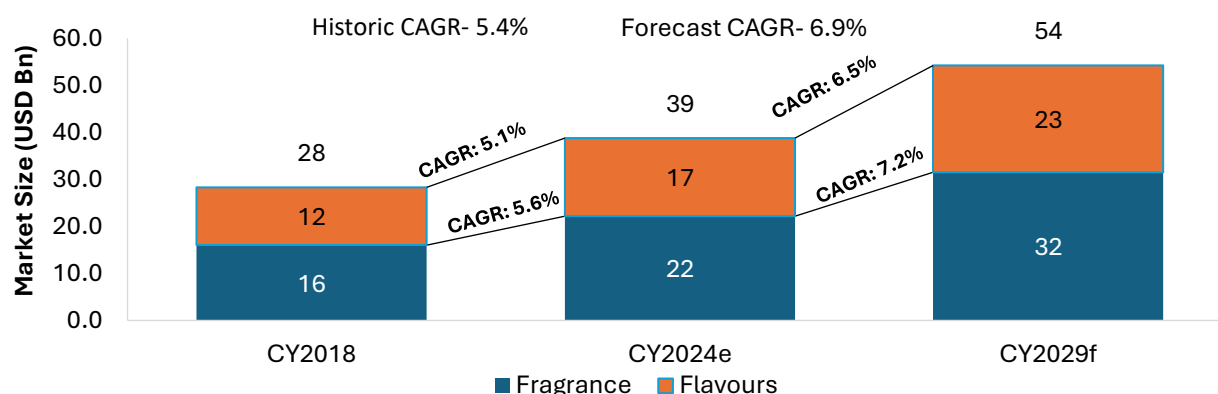
9.1 Global flavours and fragrances market value analysis

The global flavours and fragrances market was estimated at USD39 Bn in 2024e and is expected to reach at USD54 Bn by 2029. The market is expected to grow at a CAGR of 6.9% during the forecast period (2024-2029).

The growth is majorly propelled by rising demand for personal care products, brand recognition, rising disposable income, growing demand from middle-class section, and low product prices in the form of mass-produced perfumes and deodorants, and other flavouring products.

In addition to this, growing inclination towards synthesis of natural products using various biotechnology methods is providing a new direction to the industry.

Exhibit 9.1.1: - Global Flavors and Fragrances Market Value, 2018-2029F (USD Billion)



E-Estimated; F-Forecasted; This definition will remain the same throughout the document.

Source: IHS, Frost & Sullivan Internal Analysis

Globally, the consumption of various flavours and fragrance products have gradually increased over the past several years. Every country with its own geo-climatic diversity and demand, becomes the home for production and consumption of various products. For instance, according to the Ministry of Micro, Small & Medium Enterprises (MSME), there are about 300 significant natural raw ingredients for fragrances used globally. Only 50% of these are cultivated, and the remaining are found in wild habitat (e.g. Nagrarmotha, Kewra etc). 110 naturally occurring, farmed fragrant raw ingredients account for 95% of the world's current use of scent and flavour. Out of them, 31 are the ones for which India is well recognised around the world, and there are close to 21 more that have grown but not to the point where they are relevant to the world. With its essential oils of menthol mint, eucalyptus, clove, sandalwood, jasmine, tuberose, and spices, India has had an impact on the world.

Similarly, Europe being a hub for fragrance industry, is a major exporter of fragrance products and ingredients. According to an article published by Centre for the Promotion of Imports from developing countries (CBI), Ministry of Foreign Affairs, the Netherland contributes ~20-25% of total fragrance products exports, U.K. ~15%, France with major contribution of ~30%, and among others. On the other hand, according to the World Exports

Analysis, Asian countries also contribute significantly toward the export of flavours and fragrances products and ingredients with the lucrative share of ~14%.

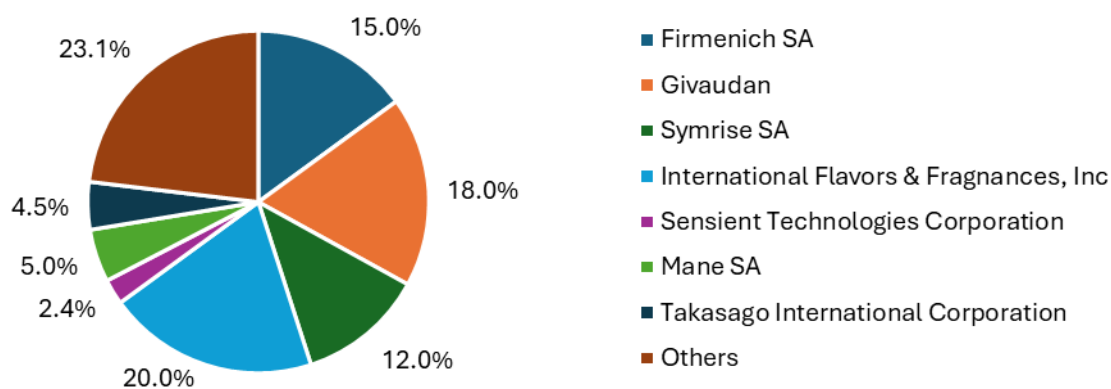
The growth of the flavors segment is driven by the demand from end-users such as manufacturers of beverages, dairy products, bakery products, soups, meat, confectionery, snacks, and oral care products.

Fragrance market has a 57% of F&F market and it is expected to continue to have a similar share during the forecast period with expected high growth of 7.2%.

The growth of the fragrance market is majorly attributed to the growing demand for the products, rising inclination towards natural and biosynthesized products. Biosynthetic products mean production of a chemical compound by a living organism. Biosynthesis is a multi-step, enzyme-catalysed process where substrates are converted into more complex products in living organisms. In biosynthesis, simple compounds are modified, converted into other compounds, or joined together to form macromolecules.

Geographical barriers have been eliminated by the globalization of various economies, bringing distant regions of the world closer than before.

Exhibit 9.1.2: - Global Flavours and Fragrances Market, Company Share Analysis, CY2024E (%)

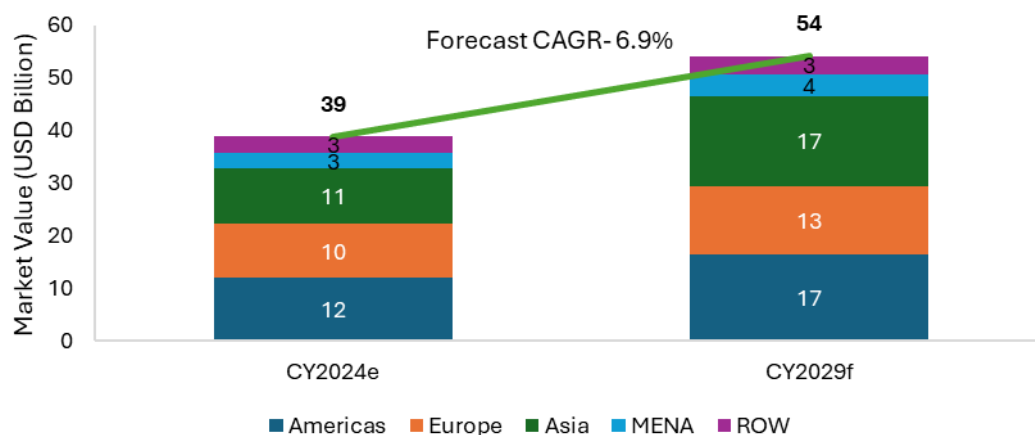


Source: Investor Presentation, Annual Reports, Leffingwell & Associates Survey, Frost and Sullivan Analysis

On the basis of competition, currently, the firms including Firmenich SA, Givaudan, Symrise AG, and International Flavors & Fragrances, Inc, account for more than 60% share of the global market. All other companies, both internationally and locally, make up the remaining 40%. Some of the other companies includes Sensient Technologies Corporation, Mane SA, Takasago International Corporation, Frutarom, Roberter SA, and among others. GEM Aromatics supplies their essential oil products to all the above mentioned companies/flavour & fragrance ingredient houses.

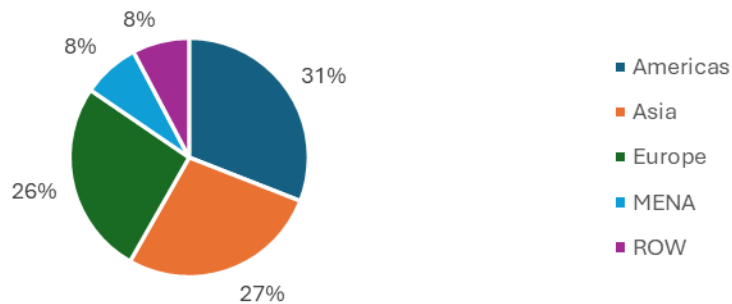
9.2 Global flavours and fragrances market: geographic analysis

Exhibit 9.2.1: - Global Flavour and Fragrances Market, by Geography CY2024E & CY2029f (USD Billion)



Source: Investor Presentation, Annual Reports, Internal Analysis, New articles, Blogs, Leffingwell & Associates Survey, IHS,

Exhibit 9.2.2: - Global Flavour and Fragrances Market Share, by Geography, CY2024E (%)



Source: Investor Presentation, Annual Reports, Internal Analysis, New articles, Blogs, Leffingwell & Associates Survey, IHS, IBEF

Americas dominates the market as majority of the key players are based primarily in the North American and European regions. Furthermore, the growth is driven by the escalating demand for Flavors and fragrances in food & beverages, pharmaceuticals, dietary supplements, nutraceuticals, and tobacco. Countries such as the USA and Canada are the leading contributors to the Flavors and fragrances market from the region.

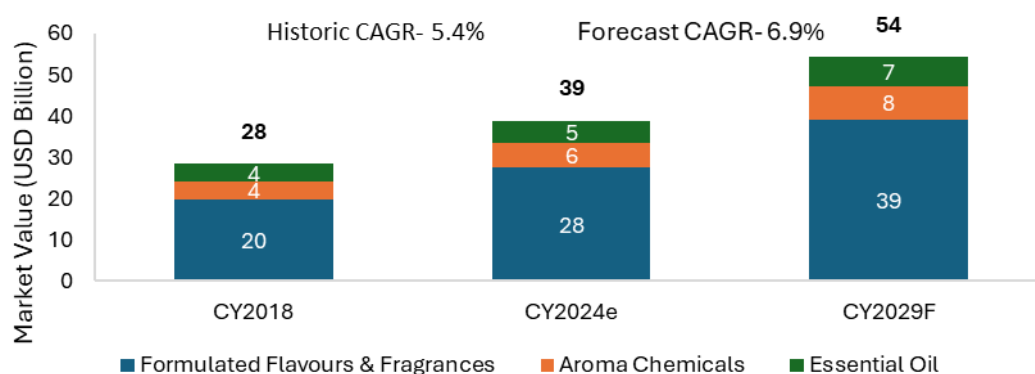
As of 2024, Asia has been the second largest market followed by Europe. Originally Europe has been the second largest market for decades, however majority of the global firms focus on key strategies, such as market expansions, new geography establishment, product launches, and mergers and acquisitions, to uphold their market share. Owing to which the share of Asia has increased over the years and is expected to continue going forward. The Russia and Ukraine conflict however has impacted the growth of the regional Flavors and fragrances market in Europe. Many big players have stopped operations in Russia amid the ongoing Ukraine crisis, reflecting popular consumer sentiment and the rising difficulties of doing business in the nation, thereby providing huge opportunity for countries like India. During the forecast period Asia will continue to overtake Europe and Americas to become the largest demand region, from a moderate share of 27% to 32% . Many companies have shifted base to Asia to cater to the growing demand. Key vendors are expanding their footprint in untapped Asian countries. For instance, in April 2024, Takasago International Corp. (Takasago) announced the launch of its new facility Takasago International India Fragrance Centre (TIIFC) in Mumbai, India. Similarly, in December 2022, Mane SA announced to open two new facilities in India. Rapid development in the economies and increasing spend by the large middle class population to enhance their lifestyle are the key reasons for growth in Asia.

9.3 Global flavours and fragrances market: segmental analysis

The food and cosmetics industries heavily rely on flavours and fragrances (F&F). They are made up of a variety of substances, such as attar, essential oils, absolutes, oleoresins, isolates, and specific fragrance compounds. The industrialised nations have a sophisticated flavour, and the food and beverage industry, as well as the home and personal care industry, both depend on the fragrance business. Although the penetration of finished flavour and fragrance goods in developing nations is still in its infancy, however due to the continuously growing demand, the F&F ingredient manufacturing industry is quite developed across the nations.

Both the industries (flavours and fragrances) have a distinct choices when it comes to usage of ingredients. In flavouring industry, the uptake of natural ingredients for making various flavours is more, on the other hand fragrances industry rely more on synthetic ingredients, however the trend is changing towards natural ingredients.

Exhibit 9.3.1: - Global Flavors & Fragrance Market, by Segment CY2018-CY2029 (USD Billion)



Source: Investor Presentation, Annual Reports, Internal Analysis

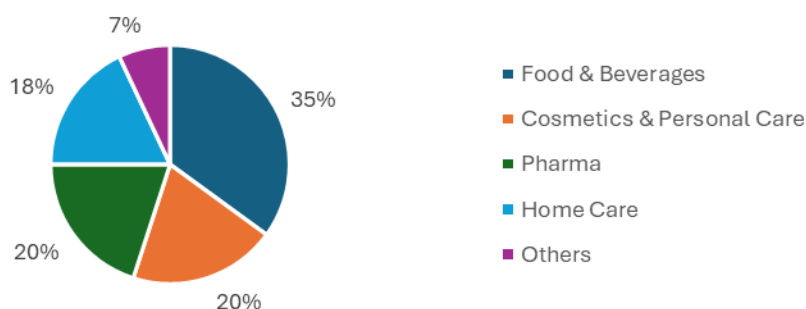
Formulated flavours form the largest segment with ~71% share under flavours & fragrance market. These are complex mixtures of aromatic compounds such as natural extracts, essential oils, and aroma chemicals. These formulations are available in various forms, such as liquid and concentrates, depending on the usage.

Aroma Chemicals have a share of ~ 15% by value, these are organic compounds derived from petrochemicals, natural resource isolation, and turpentine fractionation. Aroma chemicals can be categorized into terpenes, benzoids, musk chemicals, and others based on their structure.

About 14% is contributed by Essential Oils. **Essential oils are concentrated hydrophilic liquids obtained from plants. Solvent extraction and expression, and steam distillation are some of the common extraction methods for essential oils. Products produced and marketed by GEM Aromatics fall under this segment. GEM Aromatics caters to both aroma chemicals and essential oils.** The demand for essential oils is expected to increase at a rapid rate due to the increased demand for new varieties of foods and the growing adoption of essential oils in the food and beverage, and cosmetics industries.

The largest segments under essential oil is – Orange oil, Mint oil, Clove oil, and Eucalyptus oil. **GEM Aromatics is present in three of the four major categories. Peppermint Oil, Menthol, Clove Oil, Eugenol and Eucalyptus oil form about ~40% of the total essential oil market by value. GEM Aromatics is one of the prominent essential oils and Value-Added Derivatives manufacturers in India, based on value and volume manufactured, specializing in products that are derived from mint and clove oil**

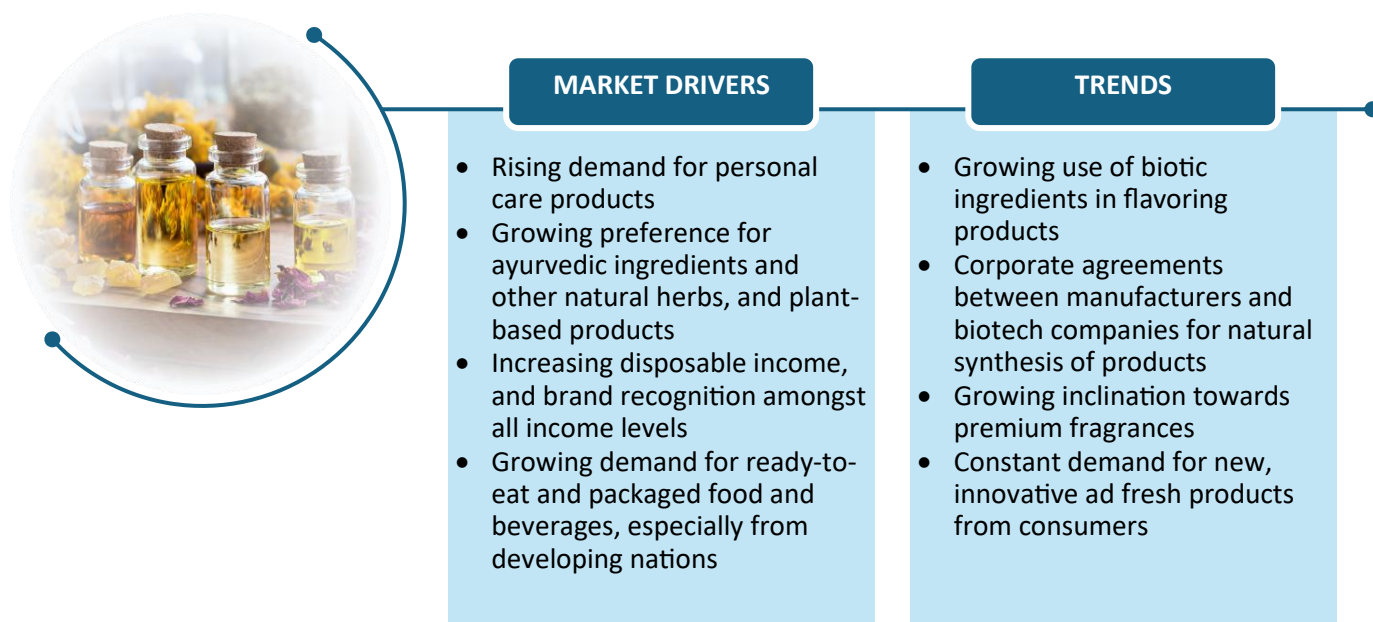
Exhibit 9.3.2: - Global Flavors & Fragrance Market, by Application CY2024E (USD Billion)



Source: Frost & Sullivan Analysis

Food and beverages are the major end applications of the flavours & fragrance market. With growing segment of processed foods there is an increasing need of flavours & fragrance ingredients in the segment. This is followed by the cosmetics and personal care segment.

9.4 Global flavours and fragrances market: key drivers and trends



Source: News articles, blogs, company press releases, Frost and Sullivan Analysis

Key Drivers

In recent years, fragranced personal care, laundry care, and household care products have seen a meteoric surge in demand, which has had a significant knock-on effect on the resulting demand for fragrances. Also, consumers have shown a marked preference for perfumes that are both intense and long-lasting.

High incomes and urbanisation are spurring interest in convenient packaged foods and fast food. Packaged goods require high flavour loadings to prevent the loss of taste that occurs during large-scale manufacturing. More recently, there has been a rising interest in natural, organic foods and beverages, leading to increased demand for essential oils and natural extracts.

Further, in the non-food area, laundry agents account for around 29% of the market share. 75% of this total is comprised of detergent, powders, and bars. In India, detergents may have a unique component or be priced differently, but it is the fragrance's medicinal properties that make the product more desirable and appealing. The size of liquids, conditioners, and other washing aids is very diminutive.

Shift in sourcing / supply chain strategies

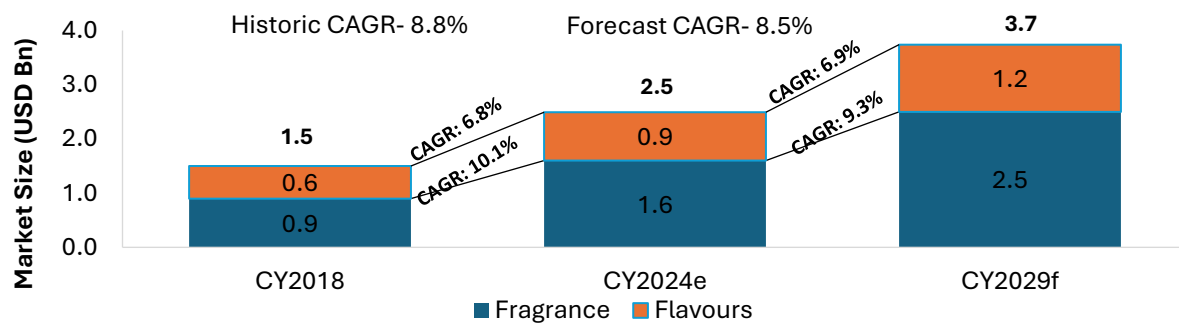
Companies are focusing their sales expansion plans to cater to increasing demand from Tier II and Tier III cities that eventually drive growth. Companies are launching a range of affordable deodorants, perfumes, and colognes for consumers willing to spend on fragrances.

10. India flavours and fragrances market value analysis

10.1 India flavours and fragrances market value analysis

The Indian Flavors and fragrances market was estimated at USD 2.49 Bn in 2024e and is expected to reach at USD 3.74 Bn by 2029. The market is expected to grow at a CAGR of 8.5% during the forecast period (2024-2027).

Exhibit 10.1.1: - India Flavors and Fragrances Market Value, CY2018-CY2029 (USD Billion)



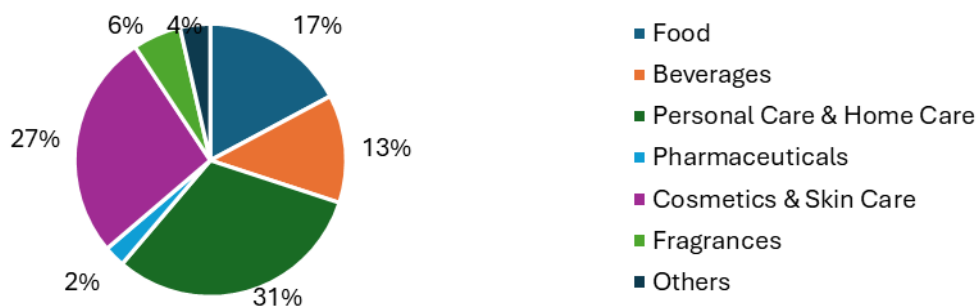
E-Estimated; F-Forecasted; This definition will remain the same throughout the document.

Source: Ministry of Micro, Small & Medium Enterprises, India, IHS, Internal Analysis

India due to its large consumer population has been the focus of many FMCG companies. It has been attracting many global manufacturing companies to produce perfumes, soap & detergents and home care products due to the economic advantage and huge demand within. This has been the main reason of growth in the Flavours and Fragrances market in the country.

~67% of the demand is of fragrances, with a growth rate of CAGR 8.9%. Aspirational inclinations increased disposable income levels, growth in spending proclivities within the new generation consumer segment, and evolving lifestyle preferences are some of the key drivers of growth.

Exhibit 10.1.2: - Indian Flavors and Fragrances Market, Application Split, CY2024E (%)



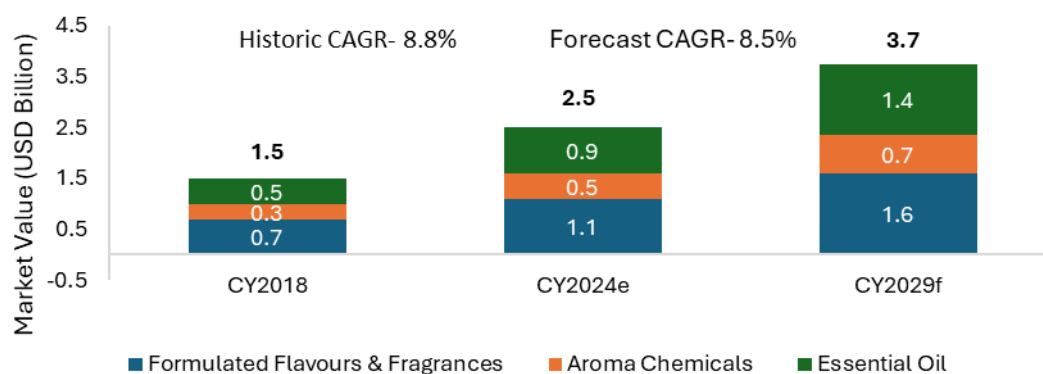
Source: Frost and Sullivan Analysis

Personal care and home care are the key end application segments with ~31% demand share. This is followed by cosmetics and skin care. Increased awareness on sensitivity in these applications have resulted in higher adoption of bio-based products.

10.2 India flavours and fragrances market: segmental analysis

Unlike in the global developed market formulated flavours and fragrances has a lower share in the market. Aroma chemicals and Essential oils see a higher uptake due to their usage in incense sticks a unique market specific to India, with some specific single aroma requirements. Highest growth of CAGR 8.8% is expected in Essential oils as they are perceived natural, environment friendly without any adverse effect on health.

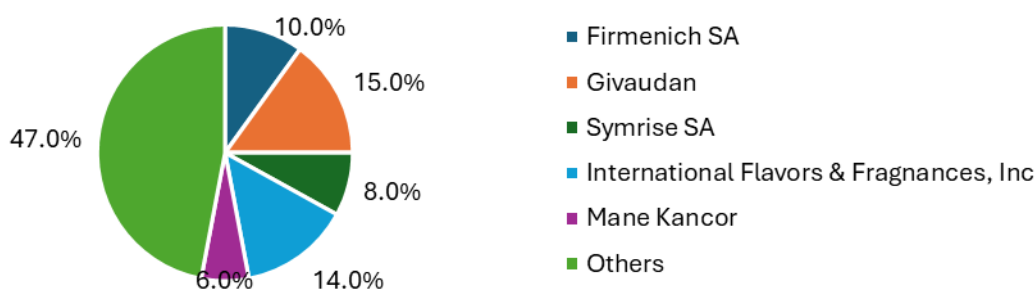
Exhibit 10.2.1: - India Flavors & Fragrance Market, by Segment CY2018-CY2029 (USD Billion)



Source: Investor Presentation, Annual Reports, Internal Analysis, MSME White Paper

India imports significant value (~USD 400 Mn³ as of FY 2024) of essential oils and aromatic ingredients. The imports are from various geographic locations based on the type of oil or ingredients. The main exporting countries to India include- USA, Indonesia, China, Brazil etc.

Exhibit 10.2.2: - Indian Flavors and Fragrances Market, Company Share Analysis, CY2024E (%)



Source: Investor Presentation, Annual Reports, Frost and Sullivan Analysis. Shares are only indicative and are based on imports/production and global shares

Others include Keva Flavors; FAB Flavours & Fragrances Pvt. Ltd.; Oriental Aromatics; Mane SA; Kalpsutra Chemicals Pvt. Ltd.; Flavorade India; Symega Ingredients; Matrix Flavours & Fragrances; among others

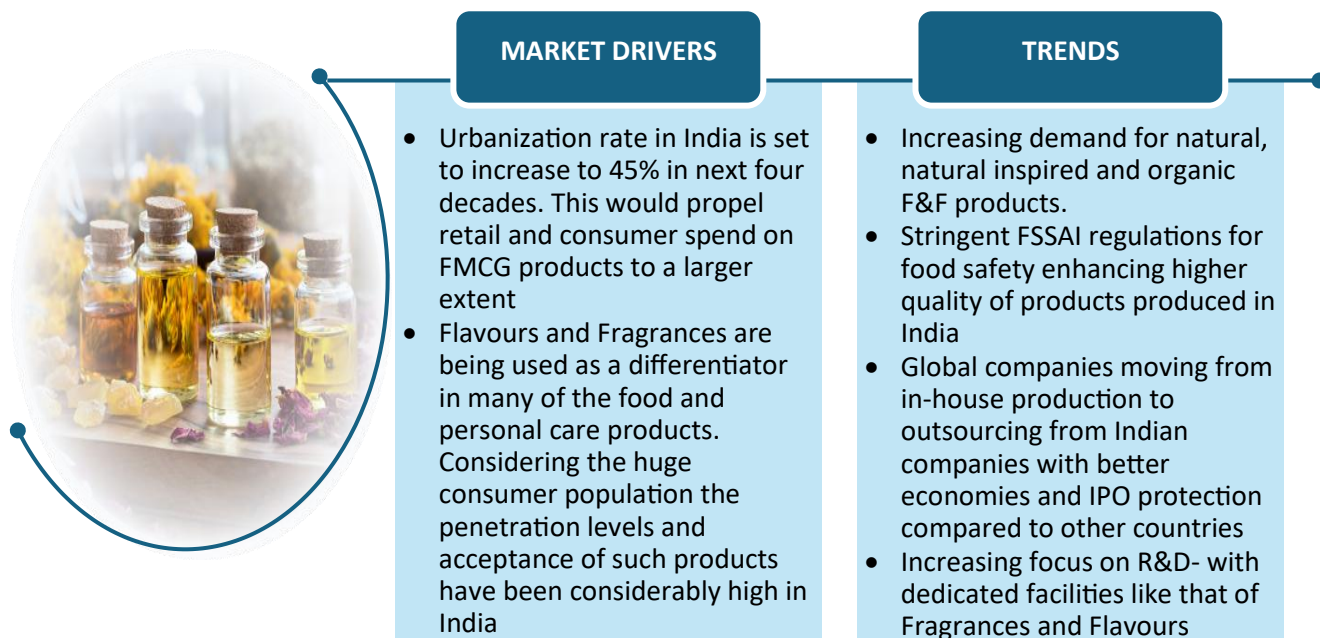
The formulated flavours and fragrance/ F&F blends segment is dominated by global suppliers as this segment requires considerable investment in Research and product development. Intellectual property safeguarding, loyal customer base, strong branding are some of the major requirements apart from R&D in this segment, which act as major entry barriers for new players. FMCG companies risk losing customers in the event of any change in fragrance or flavour profile of the product. Thus, once onboarded and having delivered results as a supplier, FMCG companies are reluctant to change suppliers. Givaudan, IFF, Symrise, Mane SA and Firmenich dominate this segment.

Aroma chemicals and Essential oils are mainly dominated by companies in India. India is strongly positioned especially in supply of natural ingredients and products. The segment is export driven with ~80% of the produce being exported to other regions.

³ HSN 3301

GEM Aromatics is among the prominent manufacturers of essential oil-based products and derivatives in India, specializing in products that are derived from mint, clove, eucalyptus oils and other essential oils. This industry has high entry barriers in India for reasons mentioned above

10.3 India flavours and fragrances market: key drivers and trends



- The Indian market currently has a 60:40 share of synthetic v/s natural ingredients, but with growing global preferences for natural products and abundant availability of natural resources the market is shifting towards natural ingredients, aligning with global trends in personal care, food processing, and other applications.
- Key sub-segments of growth in the market include natural Flavors, sustainable fragrances, and innovative aroma chemicals.
- Cost control and stability of natural products is a primary challenge, as the market is highly price sensitive. It is important to have raw material sourcing as well as the customers in the vicinity to avoid high logistics and handling charges and any possible contamination or stability issues.

Major threats:

- **Supply and Quality Issues:** Global supply requires tremendous investments on maintaining quality. Natural resources tend to vary in yield and quality with every crop standardizing process to get acceptable quality every time is a major challenge. With consumers demanding better transparency of ingredients, certifications and process standardizations would help to position the products better. Also considering supply chain disruptions due many uncontrollable factors like weather, crop cycles, soil quality etc having sustainable supply of raw materials becomes very important.
- **Counterfeit products:** Counterfeit products cause a great threat to the fragrance industry and cost the industry billions in lost revenues. Clear imitations of a particular fragrance can make it hard to differentiate between the original and counterfeit products as well as the ingredients used. Hence stringent quality checks play a major role.
- **Export Market challenges:** Though geopolitical issues have lower impact on consumption in major end user industries, price fluctuations are inevitable. Currency fluctuations, logistical constraints and route blockages also impact supply and pricing. Having a diversified geographical market presence with a good share in domestic market sales would help the revenues to sustain.

In India, GEM Aromatics has a dominant presence in essential oil-based products and derivatives that are manufactured from mint, clove, eucalyptus oils and other essential oils. During FY 2024 in India, the Company was the largest procurer of Piperita oil, and the largest processor of DMO, Clove oil, Eugenol and Eucalyptus Oil in terms of volume manufactured. As on FY 2024, Company's share of DMO and Eugenol in India was 11% and 62%, respectively, in terms of volume manufactured.

One of the primary raw materials which is Natural Mint oil is available in abundance in India. GEM Aromatics' Badaun Facility is located in the heart of the Mint cultivation belt of India which includes *Mentha Arvensis*, Piperita, Spearmint and *Mentha Citrata* (Bergamot Mint) (species of flowering plant in the Mint family), and the Silvassa Facility is strategically located close to Jawaharlal Nehru Port in Nhava Sheva, Maharashtra.

GEM Aromatics' Bundan Facility is located near the mint growing belt, while Silvassa Facility is located close to Jawaharlal Nehru Port providing strategic advantage. The Dahej Facility is strategically located in the hub of chemical manufacturing with common effluent treatment plant and other facilities

GEM Aromatics' Silvassa facility is strategically located close to Jawaharlal Nehru Port in Nhava Sheva, Maharashtra and help reduce time for export shipments. This also reduces the company's import costs for raw materials that are imported from Indonesia, Germany, China, Rwanda and Madagascar.

The manufacturing facility of the Company which is being established through its wholly owned subsidiary viz., Krystal Ingredients Private Limited) at Dahej, Gujarat (Dahej Facility) will produce products derived from Phenol as a key raw material.

The Dahej Facility will provide the Company access to phenol, with one of the largest suppliers of phenol in the vicinity. The facility has an already established effluent discharge eco-system which will provide the Company in effectively discharging effluents that may be generated in manufacturing of certain products. This facility is strategically located close to Mumbai-Delhi Expressway and Jawaharlal Nehru Port, Hazira.

11. Essential oils and select chemicals

11.1 Mint oil and derivatives

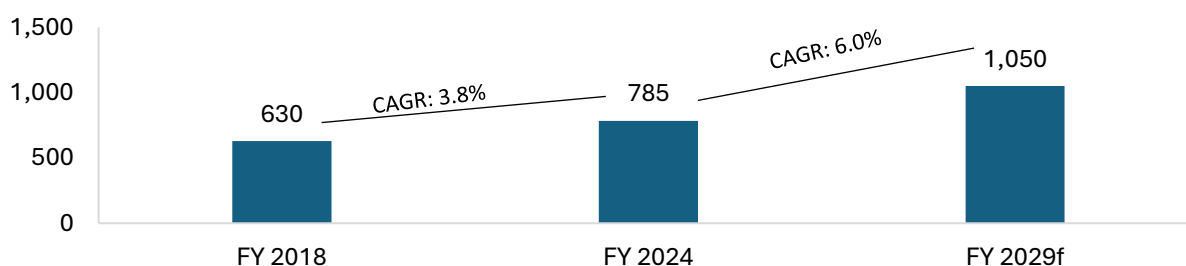
Product introduction

Mint oil is obtained from the leaves of the perennial herb, *Mentha piperita L.*, *Spearmint* and *M. arvensis var. piperascens*, a member of the Labiatae family. It is also known as Mentha oil or corn mint oil. It is a colourless, pale yellow or pale greenish-yellow liquid having characteristic odour and taste followed by a sensation of cold, freely soluble in 70% ethanol. The solution may show an opalescence. The oil is found on the undersides of the leaf stems, is extracted by steam distillation and is generally followed by rectification and fractionation before use. There are also synthetic methods of manufacturing the same.

Global market demand: FY 2024

The Global market demand for Mint oil was estimated to be around USD 785 Mn in FY 2024. In volume terms, the market was ~52,000 MT. ~70% of this is converted to Menthol and other derivatives. The numbers discussed in this chapter include both- Mint oil converted to menthol and derivatives and that used "as-is". The market is expected to grow at a CAGR of 6.0% by 2029F owing to increased interest in natural ingredients usage in FMCG products across globe.

Exhibit 11.1.1 : Global Mint Oil Market Demand, USD Million, FY 2018-2029F



Source: Primary Interviews with Key Manufacturers

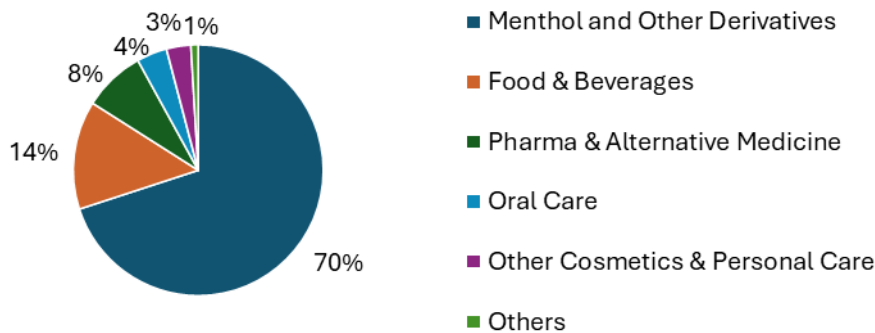
The numbers presented include both natural and synthetic variants.

Applications and uses

Mint oil has a wide variety of applications across Food and Beverages, Alternative medicine and Pharmaceuticals, Cosmetics and Personal Care (specifically in oral care) and Home care products. In oral care, mint oil finds use in mint flavoured toothpastes and in mouthwashes. In oral care it is used as both a mouth freshener (due to the cold and refreshing sensation it provides) as well as an anti-bacterial agent to prevent halitosis and as an anti-inflammatory agent to prevent gingivitis progressing to gum disease. Alternative medicine uses includes its use in Aromatherapy, Ayurveda, and Chinese medicine, including its use in over-the-counter products such as Dabur's Pudina hara etc.

Use of Mint oil for Menthol is the prominent usage as most oil producers are forward integrated into Menthol. Once Mint oil is processed for Menthol, Dementholized oil (DMO) and other derivatives (Pulegone, peppermint oil, Neo Menthol, Menthone, Menthofuran, L-Methyl Acetate, Iso Pulegol, Di-Methyl Acetate, among others) are produced.

Exhibit 11.1.2: Global Mint Oil Application by Segment, FY 2024, USD 785 Million



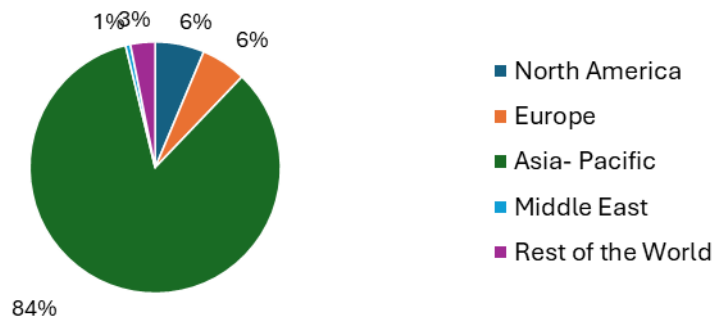
Source: Frost & Sullivan Research & Analysis

Note: Others is primarily the use of Mint Oil in Homecare Products etc.

Global market demand, FY 2024, split by geography:

In terms of demand, Asia Pacific was the largest consuming region in FY 2024, followed by North America and Europe. Production in India of Mint oil is almost 81% of the global demand and was estimated around ~39,000 MT for FY 2024. Mentha Arvensis/ Corn Mint Oil production accounts for over 98% of the natural Mint Oil production. Exports are about 25-30% and hence most of the consumption takes place in India for Menthol production, as such the demand is consumption driven and in Asia Pacific it is ~84% followed by other regions.

Exhibit 11.1.3: Global Mint Oil Demand Split by Geography, FY 2024, USD 740 Million

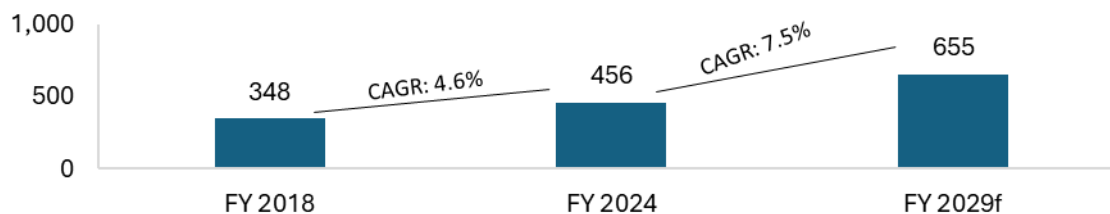


Source: Frost & Sullivan Research & Analysis

Indian Mint Oil Market FY 2024

The India Mint Oil market was valued at USD ~456 million in FY2024e and it constitutes 58% of the global market. In volume terms, the market demand was around 34,000 MT.

Exhibit 11.1.4 : India Mint Oil Market Demand , USD Million, FY 2018-2029F



Source: Primary Interviews with Key Manufacturers

India market, FY 2024, local production, imports and exports:

Exhibit 11.1.5: India Mint Oil Market, Production vs Demand, USD Mn, FY 2024

Production (USD Mn)	Import (USD Mn)	Export (USD Mn)	Demand (USD Mn)
~635	~16	~195	456

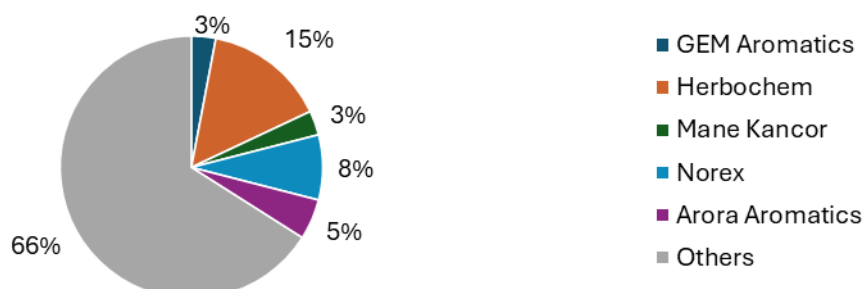
Source: Primary Interviews with Key Manufacturers, Impex databases and Frost & Sullivan Analysis

India maintains its position as the world’s largest exporter of Mint Oil. Imports into India were comparatively negligible.

Local Production of Mint Oil

India produced approximately USD 635 Mn worth of Mint Oil in FY 2024. The Indian Mint Oil production market is highly fragmented with the top 5 players accounting for just about 34% of the total Mint oil production share. **GEM Aromatics is among the large producers of Mint oil in India. They are the largest buyers for Piperita oil in India. The company is among the leading companies to utilise crude mint oil from Mentha arvensis in the production of mint-based derivatives and the largest processors of DMO During Fiscal 2024, our Company was the largest procurer of piperita in India by volume and one of the largest producer of peppermint oil based on value**

Exhibit 11.1.6: Indian Mint Oil Production - Production Share of Key Companies, FY 2024, USD 635 Million



Source: Frost & Sullivan Research & Analysis

Others Include: Bharat Aromatics, Naturachem Organics, Swati Menthol etc.

11.2 Mint derivative 1: Menthol

Product introduction

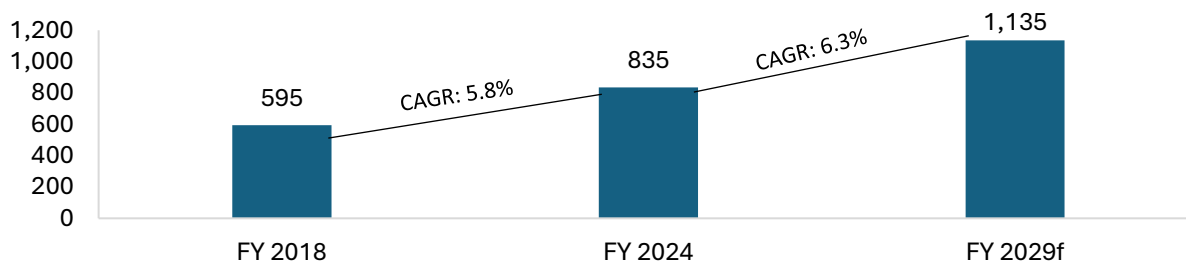
Menthol is a substance naturally found in Mint plants, such as Corn mint and Mint. It gives a cooling sensation and is often used to relieve minor pain and irritation. Menthol is a Monoterpenoid and can also be made synthetically by various processes. It is a waxy, clear or white crystalline substance, which is solid at room temperature and melts slightly above.

The Menthol molecule can exist as one of eight enantiomers. The naturally occurring material is the laevorotatory form, called l-Menthol. Synthetic Menthol is available both as racemic (DL Menthol) and L-Menthol forms. Synthetic L-Menthol is produced primarily for use in pharmaceuticals (as a nasal decongestant, antitussive topical analgesic, and local anaesthetic) and oral care products such as toothpastes and mouthwash.

Global Market Demand: FY 2024

The Global market for Menthol was estimated to be around ~ 52,000 MT in FY 2024. In value terms, the market was valued at USD 835 Mn.

Exhibit 11.2.1: Global Menthol Market Demand, USD Million, FY 2018-2029f

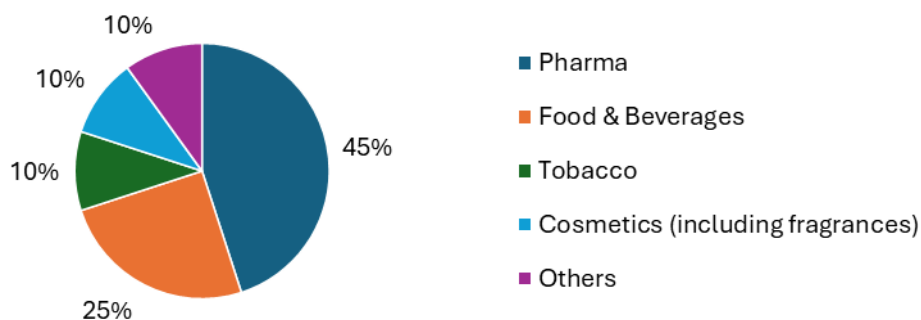


Source: Primary Interviews with Key Manufacturers Note: Market size includes both natural & synthetic

Applications and uses

Menthol has a wide variety of applications across Food, Pharmaceuticals, Cosmetic and FMCG products. It is used medicinally in ointments, cough drops, nasal inhalers etc. It is also used as flavouring agent in foods, cigarettes, liqueurs, cosmetics, and perfumes.

Exhibit 11.2.2: Global Menthol Application by Segment, FY 2024, USD 835 Million



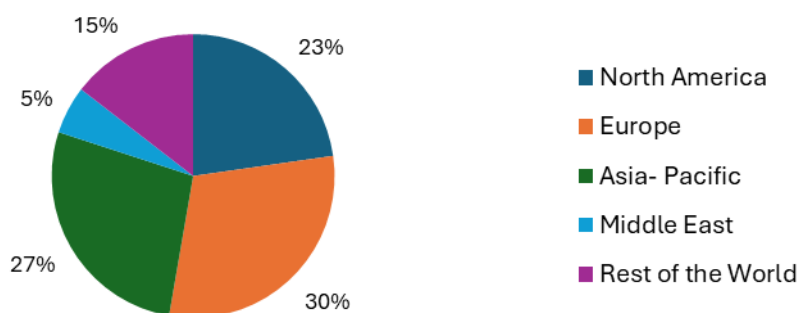
Source: Frost & Sullivan Research & Analysis

Others is primarily the use of Menthol in a variety of FMCG products including shampoos, body washes, disinfectants and cleaners etc.

Global market demand, FY 2024, split by geography:

In terms of demand, Europe and Asia Pacific are the largest consuming regions in FY 2024.

Exhibit 11.2.3: Global Menthol Demand Split by Geography, FY 2024, USD 835 Million



Source: Frost & Sullivan Research & Analysis

Industry Trends and Dynamics:

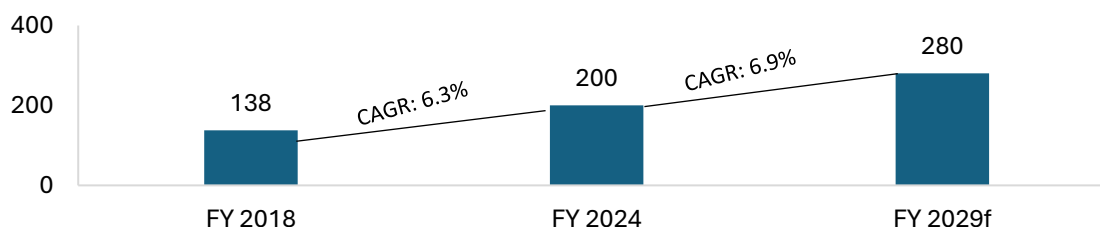
Key Growth Drivers for Menthol

- Increasing demand for natural products, especially in food and cosmetic products
- Awareness regarding health and wellness
- Demand from pharmaceutical industries to mitigate regulatory risks and due to the preference of natural ingredients in developed countries.
- Demand for Menthol cigarettes in developing markets such as India, China, Indonesia, etc.
- Usage of Mint fragrances as top notes in many of the cosmetic products will further drive demand.

Indian menthol market FY 2024

The India menthol market was valued at USD ~200 million in FY2024e.

Exhibit 11.2.4: India Menthol Market Demand, USD Million, FY 2018-2029



Source: Primary Interviews with Key Manufacturers

India Market, FY 2024, Local Production, Imports and Exports:

Exhibit 11.2.5 : India Menthol Market, Production vs Demand, USD Mn, FY 2024

Production (USD Mn)	Import (USD Mn)	Export (USD Mn)	Demand (USD Mn)
~240	~130	~170	200

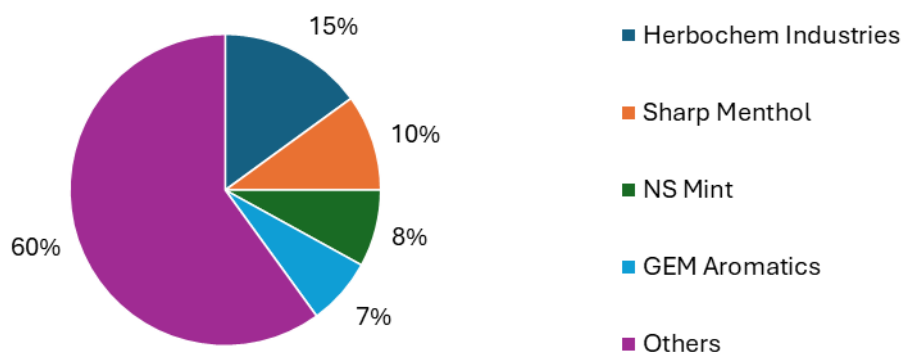
Source: Primary Interviews with Key Manufacturers, Impex databases and Frost & Sullivan Analysis

India maintains its position as the world’s largest exporter of natural Menthol, despite the fluctuations of Mint crop production over the years.

Local production of menthol

India produced approximately ~18,000 MT of Menthol in FY 2024. 100 kgs of Mentha oil produces ~66 kgs of Menthol. The Indian Menthol production market is fairly fragmented with the top 5 players accounting ~40% of the total Menthol production share.

Exhibit 11.2.6: Indian Menthol Production Volume- Production Share of Key Companies, FY 2024, USD 240 Mn



Source: Frost & Sullivan Research & Analysis
 Others Include: Arora Aromatics, Bharat Mint, , Swati Menthol etc.

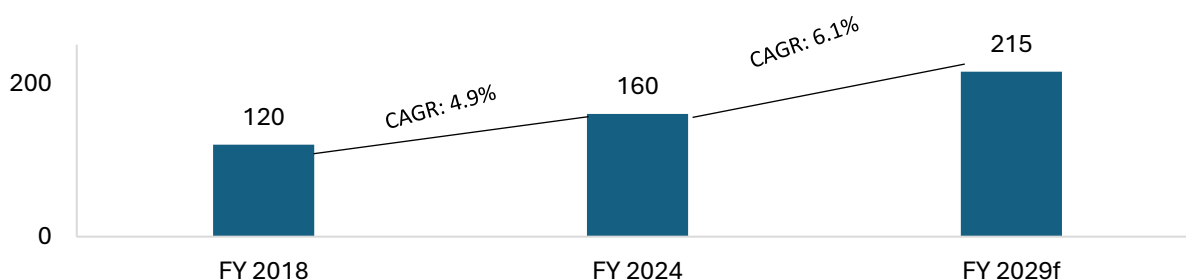
11.3 Mint derivative 2: Dementholized mint oil (DMO)

Dementholised mint oil is a type of essential oil that is treated to remove some or all of the menthol content. It is a by-product obtained in the process of producing menthol crystals in integrated facilities that produce both Mint oil and Menthol. It is a clear, pale yellow free flowing liquid and having terpinic, minty characteristic odour. As Menthol can cause skin irritation in certain individuals, DMO is used as a replacement product in many pharmaceutical and personal care applications.

Global market demand:

The Global market for DMO was estimated to be around ~ 13,000 MT in FY 2024. In value terms, the market was valued at USD 160 Mn.

Exhibit 11.3.1: Global DMO Market Demand, USD Million, FY 2018-2029f



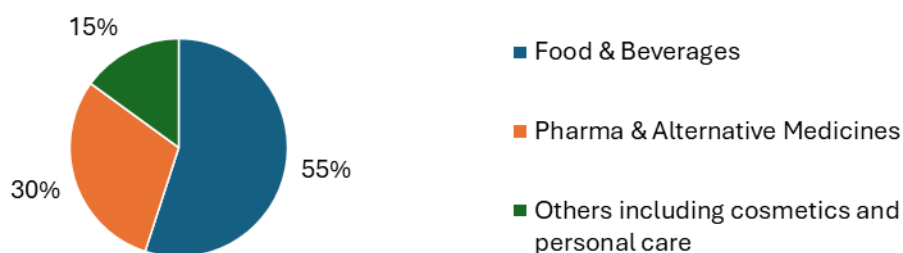
Source: Primary Interviews with Key Manufacturers

Applications and uses

DMO has a wide variety of applications. It is used as flavouring agents for liquors, chewing gums & other processed food products. In personal care applications where there is a requirement of mild menthol flavour that does not cause any allergic effect post usage DMO is a substitute. DMO's inherent cleaning and deodorizing properties make it a preferred choice for usage in air fresheners and all-purpose cleaners.

It is helpful to treat flu, cold and cough, sinusitis, asthma and other respiratory problems hence used in Pharmaceuticals and alternative medicines.

Exhibit 11.3.2: Global DMO Application by Segment, FY 2024, USD 160 Million

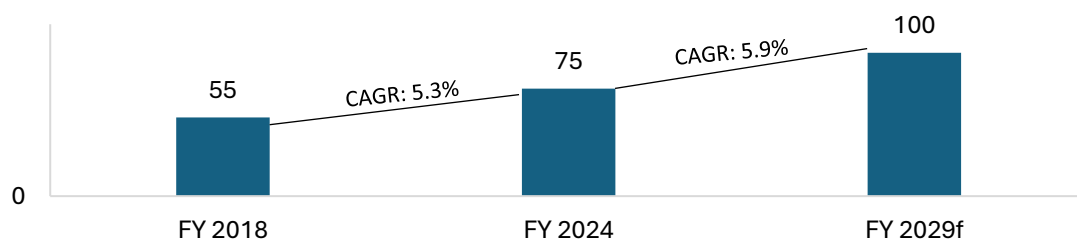


Source: Frost & Sullivan Research & Analysis

Indian DMO market FY 2024

The India DMO market was valued at USD ~75 million in FY2024e. In terms of volume it accounts for ~46% of the global market.

Exhibit 11.3.3: India DMO Market Demand, USD Million, FY 2018-2029F



Source: Primary Interviews with Key Manufacturers

India Market, FY 2024, Local Production, Imports and Exports:

Exhibit 11.3.4 : India DMO Market, Production vs Demand, USD Mn, FY 2024

Production (USD Mn)	Import (USD Mn)	Export (USD Mn)	Demand (USD Mn)
~130	0	~55	75

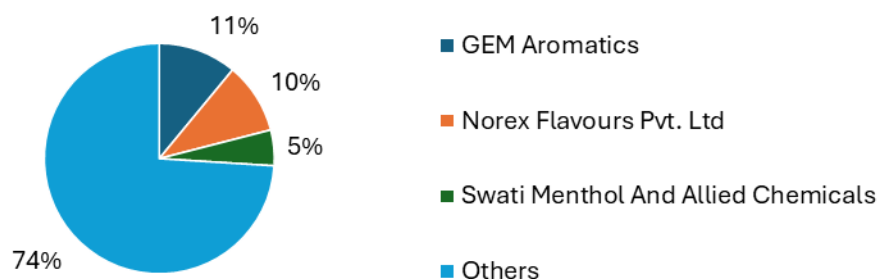
Source: Primary Interviews with Key Manufacturers, Impex databases and Frost & Sullivan Analysis

India's largest export market was USA followed by China in FY 2024. It is followed by Spain, Japan, Brazil and Canada. Imports are negligible.

Local production of DMO

India produced approximately ~11,000 MT of DMO in FY 2024. The market like most oils based on mint is highly fragmented. However, **GEM Aromatics has been able to carve a niche in this segment with a share of over 11% of Indian production.**

Exhibit 11.3.5: Indian DMO Production Volume- Production Share of Key Companies , FY 2024, USD 130 Mn



Source: Frost & Sullivan Research & Analysis
Others Include: Jindal Drugs, Arora Aromatics etc.

11.4 Clove oil and derivatives

Product introduction

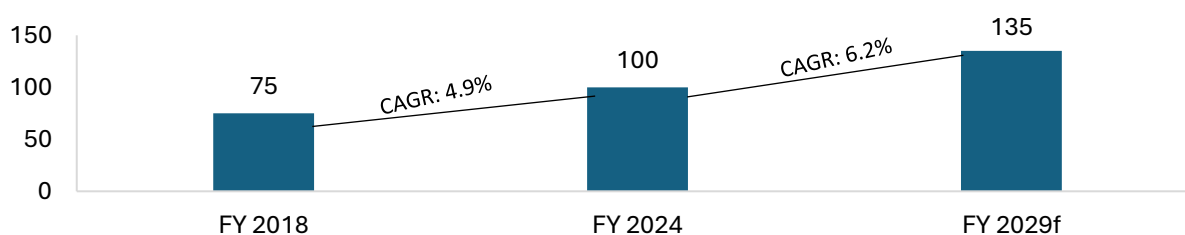
Clove oil is colourless or pale-yellow oil with the characteristic aroma and taste of cloves. It is extracted from the clove plant, *Syzygium aromaticum*. Clove oil is a mixture of different compounds, with the three main active ingredients being Eugenol, Eugenyl Acetate and Caryophyllene.

Clove oil can be obtained from distillation of buds, leaves, or stems, each resulting in an oil having different characteristics – with the percentage of eugenol in the range of 60% to 80%. The yield and quality of the oil are influenced by origin, variety, post-harvest processing, pre-treatment before distillation, distillation method and post-distillation treatment. The yield of clove oil from the crop ranges from 1% - 5% for the leaves and stems.

Global market demand: FY 2024

The Global market for Clove oil was estimated to be around USD 100 Mn in FY 2024. In volume terms, the market was around ~8,300 MT in 2024e. The demand for Clove oil excluding what goes for Eugenol production is estimated to be around ~1,700 MT valued at USD 21-22 Mn. The numbers discussed in this chapter include both- Clove oil converted to Eugenol and derivatives and that used “as-is”.

Exhibit 11.4.1: Global Clove Oil Market Demand, USD Million, FY 2018-2029F



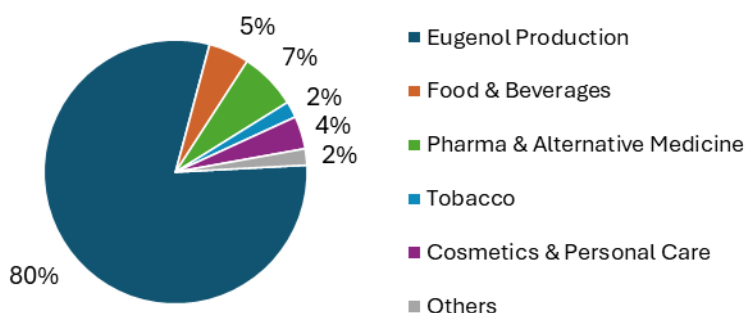
Source: Primary Interviews with Key Manufacturers

Applications and uses

Clove oil is commonly used for flavouring food and some medicines and in traditional medicine. Clove oil is also used in tobacco to Flavour Cigarettes, however, this is more common in South-East Asia, specifically Indonesia, than the rest of the world. In traditional medicine, Clove Oil finds multiple uses in pain management, as a digestion aid and for toothache management.

Most Clove oil producers are forward integrated into Eugenol and there is limited commercial trade of Clove oil for Eugenol production.

Exhibit 11.4.2: Global Clove Oil Application by Segment, FY 2024, USD 100 Million



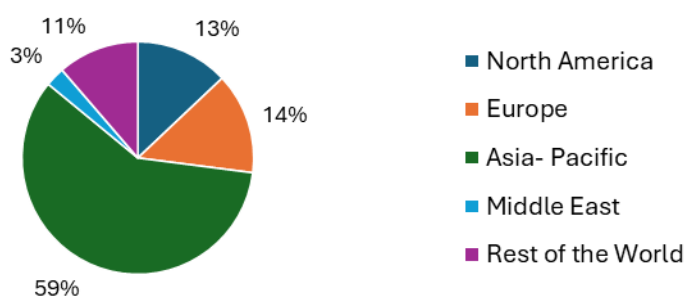
Source: Frost & Sullivan Research & Analysis

Others is primarily the use of Clove oil as a cleaning agent and an anti-bacterial agent in home care products etc.

Global market size, FY 2024, Split by Geography:

In terms of demand, Asia Pacific was the largest consuming region in FY 2024, followed by Europe and North America

Exhibit 11.4.3: Global Clove Oil Split by Geography, FY 2024, USD 100 Million



Source: Frost & Sullivan Research & Analysis

Operations Insights

Raw Material Sourcing and cost

The chief raw material for Clove oil production is the crop, which accounts for ~75-80% of the production cost, given the low yield of oil in the plant. While producers do not necessarily set-up processing facilities right next to the farmland area, they need to ensure ease of access to the farms. Long standing relationships with raw material suppliers (farms) is critical to the success of any player in the industry. Given the nature of the product the quality and specifications of raw materials used is of paramount importance and therefore ensuring availability of raw materials is critical for any Clove oil manufacturers.

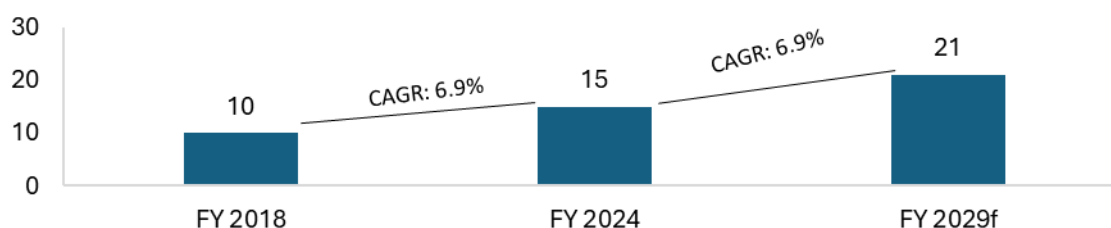
Manufacturing and R&D Expenses

Other manufacturing costs are relatively insignificant for Clove Oil. R&D focus for Clove Oil producers is primarily on the improvement of yields from the plant and focus on sustainable farming practices to ensure longer term supply of the raw material.

Indian Clove Oil Market

The India Clove Oil market was valued at USD ~15 million in FY2024e and it constitutes 15% of global demand. In volume terms, the market was 1,510 MT in 2024e.

Exhibit 11.4.4: India Clove Oil Market Demand, USD Million, FY 2018-2029F



Source: Primary Interviews with Key Manufacturers

India market, FY 2024, local production, imports and exports:

Exhibit 11.4.5: India Clove Oil Market, Production vs Demand, USD Mn, FY 2024

Production (USD Mn)	Import (USD Mn)	Export (USD Mn)	Demand (USD Mn)
N/A*	~15	Negligible	~15

Source: Primary Interviews with Key Manufacturers, Impex databases and Frost & Sullivan Analysis

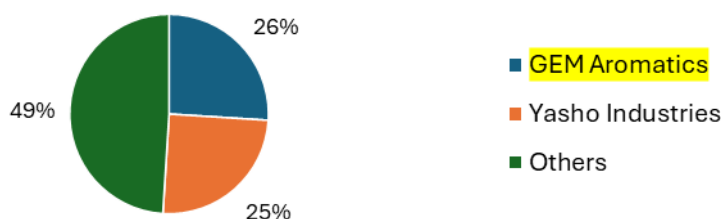
* Only Rectified Clove Oil from Clove Leaf Oil imported is manufactured by companies in India

Imports into India were primarily from Madagascar and Indonesia. Of the total demand ~ 24% was utilized for the production of Eugenol and the balance was sold as Clove Oil/ rectified Clove oil in the merchant market.

Domestic Competition of Clove Oil

Supply to the Indian Clove oil production of rectified oil is fairly consolidated with the top 2 players accounting for ~51% of the total production share. **Indian market is dominated by top 2 players GEM Aromatics and Yasho Industries in FY 2024. GEM Aromatics has more than doubled its sales to sustain market leadership. In the same year, GEM Aromatics was also ranked number one among the processors of clove oil in India based on volume manufactured**

Exhibit 11.4.6: Indian Clove Oil Production (Rectified Clove Oil) - Market Share of Key Companies, FY 2024, ~17 Mn



Source: Frost & Sullivan Research & Analysis

Others Include: Flavco Natural Products, Synthite industries etc

11.5 Clove oil derivative: eugenol

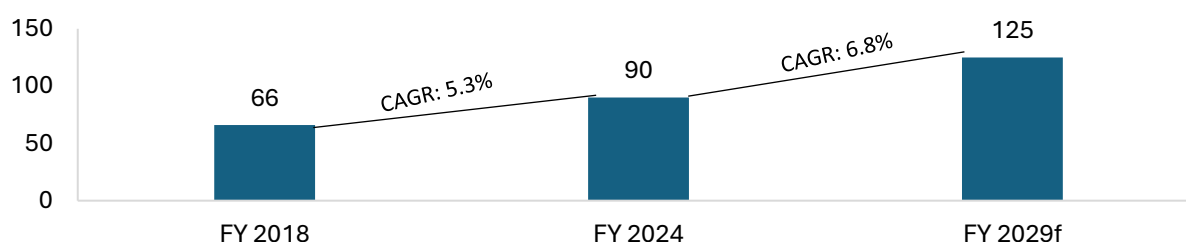
Product introduction

Eugenol is a colourless to pale yellow, aromatic oily liquid extracted from certain Essential oils especially from Clove, Nutmeg, Cinnamon, Basil and Bay leaf. Cloves account for more than 99% of the total Eugenol production, as production from other sources is not economically viable. It has pleasant, spicy, clove-like scent. It is usually produced by further purification of clove oil (which contains 60% to 80% Eugenol) to 98% purity.

Global market demand: FY 2024

The global market for Eugenol was estimated to be around ~ 4,700 MT in FY 2024. The market was valued at USD 90 Mn.

Exhibit 11.5.1 : Global Eugenol Market Demand, USD Million, FY 2018-2029F



Source: Primary Interviews with Key Manufacturers, the market numbers include both natural and synthetic varieties

Applications and uses

Eugenol is used as a flavour or aroma ingredient in teas, meats, cakes, perfumes, cosmetics, flavourings, and essential oils. It is also used as a local antiseptic and anaesthetic. Eugenol can be combined with zinc oxide to form zinc oxide eugenol which has applications in dentistry. Eugenol is also used as an ingredient in some insecticides.

Exhibit 11.5.2: Global Eugenol Application by Segment, FY 2024, USD 90 Million



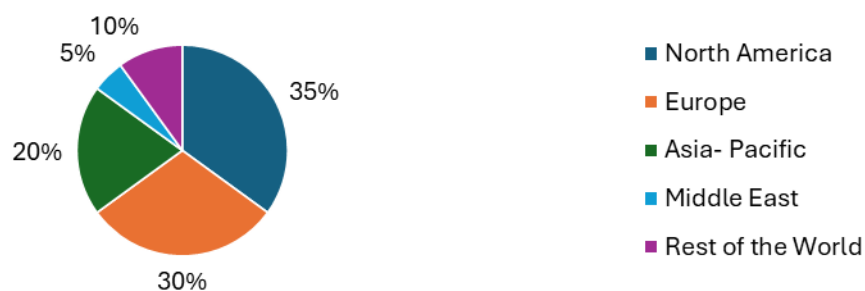
Source: Frost & Sullivan Research & Analysis

Others is primarily the use of Eugenol in insecticides, bio-pesticides, laundry products, cleaning agents etc.

Global market size, FY 2024, split by geography:

In terms of demand, Asia Pacific was the largest producing and consuming regions in FY 2024.

Exhibit 11.5.3: Global Eugenol Split by Geography, FY 2024, USD 90 Million

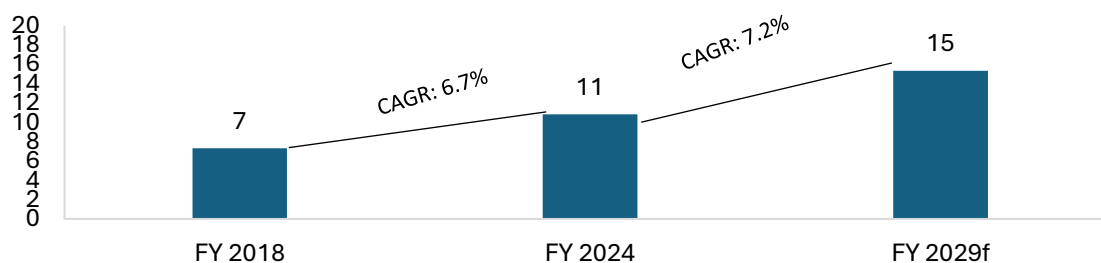


Source: Frost & Sullivan Research & Analysis

Indian eugenol market FY 2024

The India Eugenol market was valued at USD ~11 million in FY2024e and it constitutes ~13% of global demand. In volume terms, the market was estimated to be around 540 MT.

Exhibit 11.5.4: India Eugenol Market Demand, USD Million, FY 2018-2029f



Source: Primary Interviews with Key Manufacturers

India market, FY 2024, local production, imports and exports:

Exhibit 11.5.5: India Eugenol Market, Production vs Demand, USD Mn, FY 2024

Production (USD Mn)	Import (USD Mn)	Export (USD Mn)	Demand (USD Mn)
~6.5	~5.0	~0.5	~11

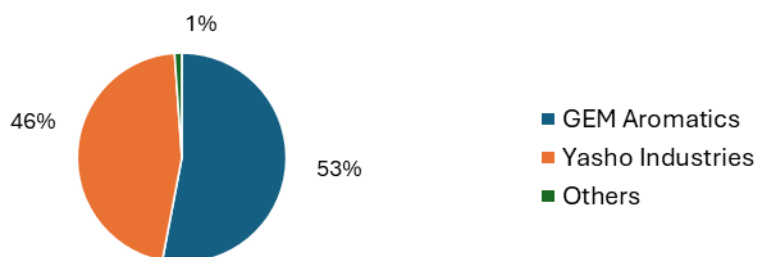
Source: Primary Interviews with Key Manufacturers, Impex databases and Frost & Sullivan Analysis

More than 95% of the imports are from Indonesia and Madagascar, while key export partners are other South Asian countries and the Middle east.

Local production of eugenol

The Indian Eugenol production market is fairly consolidated with the top two players accounting for more than 99% of the total natural Eugenol production share. **GEM Aromatics is the largest producer of Eugenol in India with a 53% share, followed by Yasho Industries.**

Exhibit 11.5.6: Indian Eugenol Production Volume- Production Share of Key Companies, FY 2024 USD 6.5Mn



Source: Frost & Sullivan Research & Analysis

Others Include: Champaran Agro Foods, Natural Aroma Products, Synthite industries, etc.

11.6 Anisole

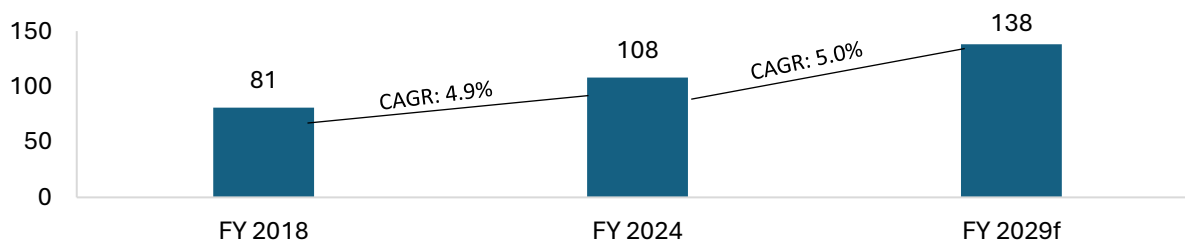
Product introduction

Anisole, or methoxybenzene, is a colourless organic compound with the formula $CH_3OC_6H_5$. It has a smell reminiscent of anise seed, and many of its derivatives are found in natural and artificial fragrances.

Global market size: FY 2024

The global market for Anisole was estimated to be around ~ US\$ 108 million in FY 2024. In volume terms, the market was more than 40,000 MT. The Global Anisole market is expected to grow at a rate of ~ 5 % from 2024e to 2029f. The use of anisole in a as precursor for manufacturing chemicals has boosted the demand. Rising urbanisation and the increase in disposable income globally has led to a growing demand for personal care and cosmetics products. Also, the application of anisole in numerous other industries such as pharmaceuticals and dyes has been growing.

Exhibit 11.6.1: Global Anisole Market Size, US\$ Million, FY 2018-2029f

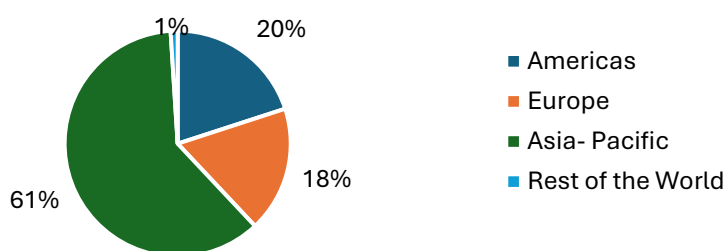


Source: Frost & Sullivan Research & Analysis

Global market size, FY 2024, split by geography:

In terms of demand, Asia Pacific was the largest consuming region in FY 2024 and will continue to be the fastest growing region for forecasted period.

Exhibit 11.6.2: Global Anisole market by Geography, FY 2024, US\$ 108 Million

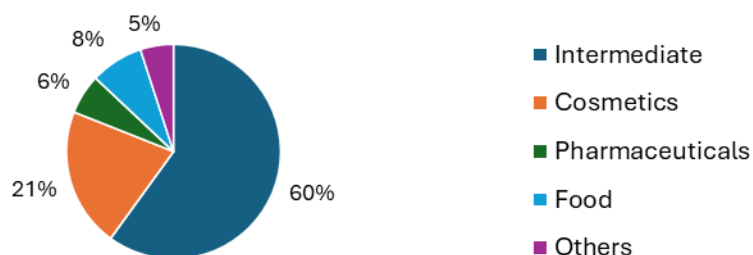


Source: Frost & Sullivan Research & Analysis

Applications and uses

Anisole is an important raw material for the manufacturing of fragrances, pesticides, perfumes, and flavours. Anisole is also used as a precursor to perfumes, pharmaceuticals, and insect pheromones. Synthetic anethole is formulated from anisole. The compound is mainly made synthetically and is a precursor to other synthetic compounds. Anisole is primarily used in the fragrance industry.

Exhibit 11.6.3: Global Anisole market by Application, FY 2024, US\$ 108 Million

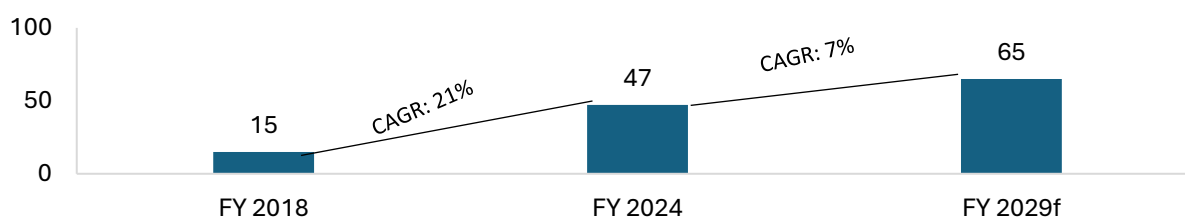


Clean Science and Technology Limited is the largest manufacturer in the world (in terms of manufacturing capacities) accounting for 45% - 55% of the global capacity. Other key competitors in the industry include Solvay, Atul Limited, and Westman Chemicals Private Limited, (Mithila Rasayan Private Limited). The players in the global anisole market have been focusing on improving the manufacturing processes and technologies in order to increase their margins.

Indian anisole market FY 2024

The India Anisole market was valued at USD ~47 million in FY2024. In volume terms, the market was estimated be around 30,000 MT. The overall market of Anisole in APAC region is dominated by Indian players such as Clean Science and Technology Limited and Atul Ltd. Clean Science and Technology Limited is the largest manufacturer of Anisole in India in 2024. There is a higher CAGR growth registered between 2018 to 2024 in Anisole owing to Clean Science Technology doubling its production capacity during the time period. The Indian Anisole market is expected to grow with a CAGR of 7%, over the forecast period through 2029. The growth is attributed to growing demand from cosmetics and pharmaceutical industry.

Exhibit 11.6.4: India Anisole Market, US\$ Million, FY 2018-2029f



Source: Frost & Sullivan Analysis

Anisole generally results in the discharge of sulphate based hazardous effluents; GEM Aromatics proposes to manufacture these products through environmentally friendly manufacturing process which is expected to result in zero discharge of hazardous effluents with water being the only by-product. By employing clean technologies of producing Anisole from Phenol, the company distinguishes its manufacturing process from conventional manufacturing processes and optimize use of non-toxic raw materials, resulting in lower effluent generation.

GEM Aromatics will have the second largest capacity in India manufacturing Anisole with a capacity of 7,000 MT via clean green vapor phase method . Most of the Anisole that GEM Aromatics manufactures will be consumed captively in the production of their key products, including MEHQ, Guaiacol, 4-MAP, and BHA.

11.7 Anethole

Product introduction

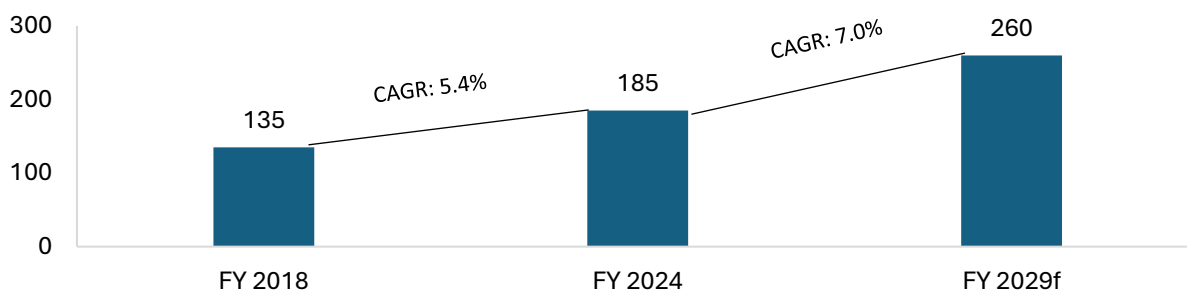
Anethole is an organic compound that is widely used as a flavouring substance. It is a derivative of Phenylpropene, a type of aromatic compound that occurs widely in nature, in Essential oils. It is in the class of Phenylpropanoid Organic Compounds.

It exists as both Cis and Trans-Isomers, where the Trans-Isomer is preferred for commercial use as a flavouring agent. An additional isomer, Estragole (differing from Anethole with respect to the location of the double bond), is available naturally in basil and tarragon, and is sold as fragrance grade Anethole or Anethole (Methyl chavicol grade). It also converts to Anethole on treatment with Potassium Hydroxide.

Global market demand: FY 2024

The Global market demand for Anethole was estimated to be around USD 185 Mn in FY 2024. In volume terms, the market was ~12,500 MT. The market is expected to grow at a CAGR of 7.0% by 2029F.

Exhibit 11.7.1: Global Anethole Market Demand, USD Million, FY 2018-2029F



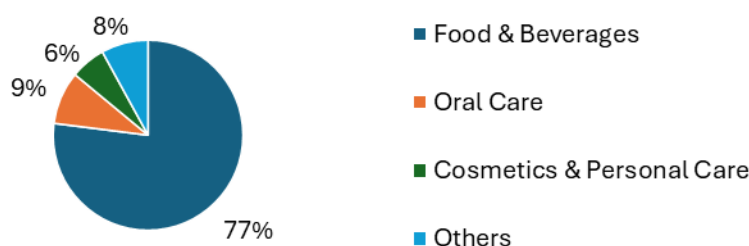
Source: Primary Interviews with Key Manufacturers

Note: Market size constitutes both natural and synthetic

Applications and uses

Anethole is primarily used as a sweetening agent in Foods & Beverages and oral care applications. In the Food segment, Anethole is primarily used in confectionaries and baked goods as a sweetening agent. There is also a significant demand for Anethole in the beverages segment, specifically for sweetening alcoholic liquors and aperitif wines. Within the oral care segment, the primary application is in toothpastes.

Exhibit 11.7.2: Global Anethole Application by Segment, FY 2024, USD 185 Million



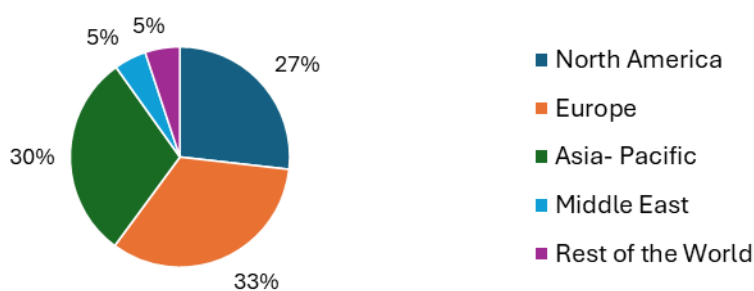
Source: Frost & Sullivan Research & Analysis

Others is primarily the use of Anethole in perfumery applications, use as a anti-microbial agent and use in insecticides.

Global market demand, FY 2024, split by geography:

In terms of demand, APAC and Europe are the largest consuming regions in FY 2024 followed by Americas. Production in India of Anethole is 8% of the global demand and was estimated around ~945 MT for FY 2024. Exports are about ~400 MT.

Exhibit 11.7.3: Global Anethole Demand Split by Geography, FY 2024, USD 185 Million

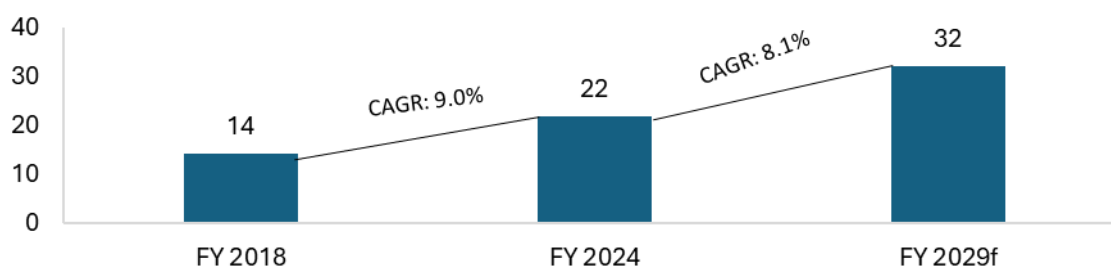


Source: Frost & Sullivan Research & Analysis

Indian anethole market FY 2024

The India Anethole market was valued at USD ~22 million in FY2024e. In volume terms, the market demand was around 1,455 MT.

Exhibit 11.7.4: India Anethole Market Demand , USD Million, FY 2018-2029F



Source: Primary Interviews with Key Manufacturers

India market, FY 2024, local production, imports and exports:

Exhibit 11.7.5: India Anethole Market, Production vs Demand, USD Mn, FY 2024

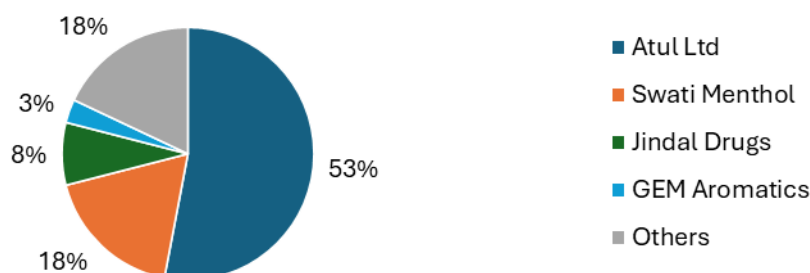
Production Import Export Demand

(USD Mn)	(USD Mn)	(USD Mn)	(USD Mn)
~14.2	~13.5	~5.9	~21.8

Source: Primary Interviews with Key Manufacturers, Impex databases and Frost & Sullivan Analysis

India produced approximately USD 14.2 Mn worth of Anethole in FY 2024. The Indian Anethole production market is fairly concentrated with the top 2 players accounting for about two-third of the total Anethole production share

Exhibit 11.7.6: Indian Anethole Production - Production Share of Key Companies, FY 2024, USD 14.2 Million



Source: Frost & Sullivan Research & Analysis

India is a net importer of Anethole, with the majority of imports coming in from China (75%-80%). Companies like Symrise import from their own plants in Germany and Spain and sell to the local market in India.

11.8 MEHQ

Product introduction

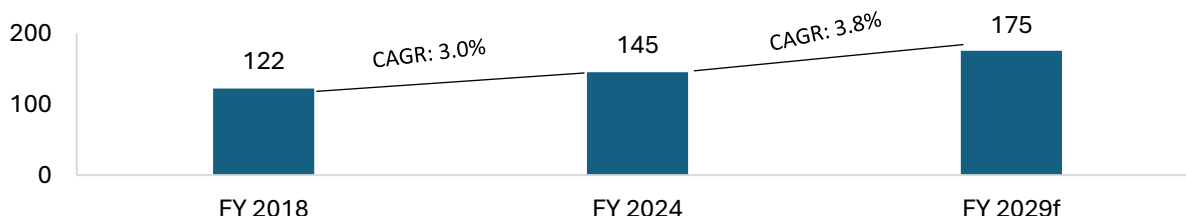
Mono methyl ether of hydroquinone (“MEHQ”) also known as Mequinol is a member of phenols and a member of methoxybenzenes. MEHQ is an organic compound and synthetic derivative of hydroquinone. MEHQ is commercially manufactured by the hydroxylation of anisole or by free radical reaction between p-benzoquinone and methanol.

MEHQ is used for Polymerization inhibitor in the manufacturing of various monomers such as acrylics, methacrylics and other acrylates, vinyl acetate monomers, along with unsaturated polyesters. Also used as a stabilizer for cosmetics, liquid detergents, and cellulose materials.

Global market demand: FY 2024

The Global market demand for MEHQ was estimated to be around USD 145 Mn in FY 2024. In volume terms, the market was ~17,700 MT. The market is expected to grow at a CAGR of 3.8% by 2029F.

Exhibit 11.8.1: Global MEHQ Market Demand, USD Million, FY 2018-2029F



Source: Primary Interviews with Key Manufacturers

Applications and uses

MEHQ is an inhibitor for Acrylic monomers and Acrylonitriles. It has application as a as an ultraviolet inhibitor, and stabilizer for chlorinated hydrocarbons and ethyl cellulose. It has a widespread application as a chemical

intermediate for manufacturing antioxidants, pharmaceuticals, plasticizers, and dyestuffs. It is used as an active ingredient in topical drugs where the application is for used for skin depigmentation (treatment of solar lentigines).

Dermatology: MEHQ is widely used in dermatology as the main ingredient in topical drugs which are used for skin depigmentation. The drug is generally prescribed by dermatologists for the treatment of solar liver spots, age spots, or solar lentigines.

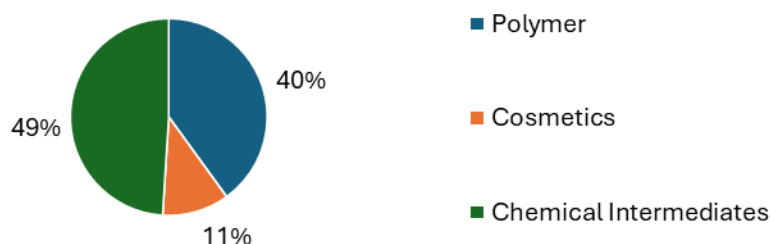
Polymers & Monomers: MEHQ is also widely used as a polymerization inhibitor in the manufacturing of various monomers such as acrylics, methacrylics and other acrylates, vinyl acetate monomers, etc., along with unsaturated polyesters. MEHQ is also used as a stabilizer for cosmetics, liquid detergents, and cellulose materials. Polymers are finding new applications, due to which, their demand is increasing day by day.

Ink: MEHQ is also used in the ink industry as a polymerization inhibitor.

Agrochemicals: MEHQ is the building block for agrochemical and organic chemical manufacturing industries. Increasing consumption of agrochemicals and organic chemicals is boosting the MEHQ market. The agrochemical industry is showing good growth, which makes it a prominent market for MEHQ. It forms a part of active agrochemical ingredients.

Intermediate: MEHQ is used as an intermediate to manufacture BHA. There are certain regulations on the exposure limit for MEHQ. According to the National Institute for Occupational Safety and Health, the recommended exposure limit for MEHQ is 5mg/m³ for an 8-hour workday. There are many regulations pertaining to Hydroquinone as it is classified as a drug and is banned for the use in cosmetic products in Europe and in many countries such as Japan, Australia and several African states.

Exhibit 11.8.2: Global MEHQ Application by Segment, FY 2024, USD 145 Million



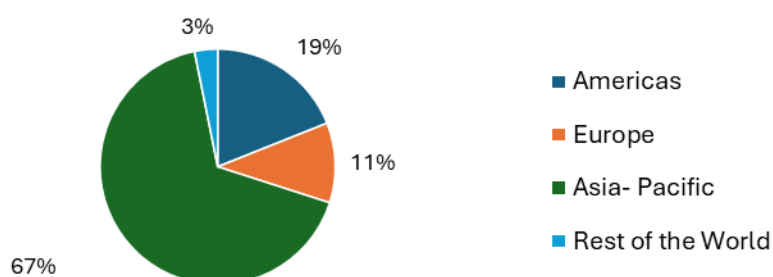
Source: Frost & Sullivan Research & Analysis

Global market demand, FY 2024, split by geography:

In terms of demand, Asia Pacific was the largest consuming region in FY 2024, followed by North America and Europe. Production in India of MEHQ is almost 51% of the global demand and was estimated around ~9,000 MT for FY 2024. Exports are about ~4,000 MT.

On a geographic basis, the Asia-Pacific region dominated the market in 2024 with a share of 67%. The market dominance of the Asia-Pacific region is due to the growing demand for MEHQ in countries such as China and India, due to the growth of the end-user industries including agrochemicals, polymers, and cosmetics industries, among others.

Exhibit 11.8.3: Global MEHQ Demand Split by Geography, FY 2024, USD 145 Million

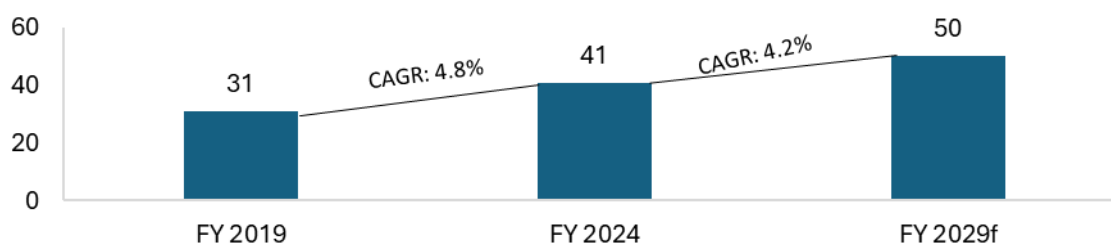


Source: Frost & Sullivan Research & Analysis

Indian MEHQ market FY 2024

The India MEHQ market was valued at USD ~41 million in FY2024e. In volume terms, the market demand was around 4,050 MT.

Exhibit 11.8.4: India MEHQ Market Demand , USD Mn, FY 2019-2029F



Source: Primary Interviews with Key Manufacturers

India market, FY 2024, local production, imports and exports:

Exhibit 11.8.5: India MEHQ Market, Production vs Demand, USD Mn, FY 2024

Production (USD Mn)	Import (USD Mn)	Export (USD Mn)	Demand (USD Mn)
~73.8	~0.7	~33.5	~41.0

Source: Primary Interviews with Key Manufacturers, Impex databases and Frost & Sullivan Analysis

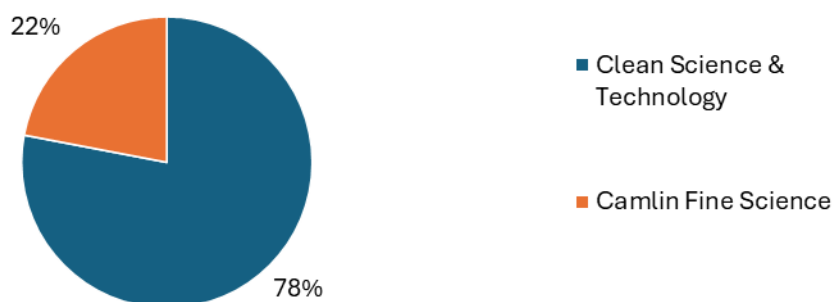
India maintains its position as the world’s largest exporter of MEHQ. Imports into India were comparatively negligible. In volume terms, the market (demand) was estimated be around 4,050 MT. The overall market of MEHQ in APAC region is dominated by Indian players such as Clean Science and Technology Limited and Camlin Fine Sciences. Clean Science and Technology Limited is the largest manufacturer of MEHQ in India and accounts for ~51% of the global capacity for the product in 2024.

Local production of MEHQ

Globally there are three large players in MEHQ market including Clean Science & Technology, Solvay and Camlin Fine Science.

India produced approximately USD 73.8 Mn worth of MEHQ in FY 2024. The Indian MEHQ production market is fairly concentrated with the top 2 players accounting for majority of the production. Vinati Organics Limited (VOL) is planning to set-up a 2,000 MT plant for MEHQ.

Exhibit 11.8.6: Indian MEHQ Production - Production Share of Key Companies , FY 2024, USD 73.8 Mn



Source: Frost & Sullivan Research & Analysis

11.9 Guaiacol

Product introduction

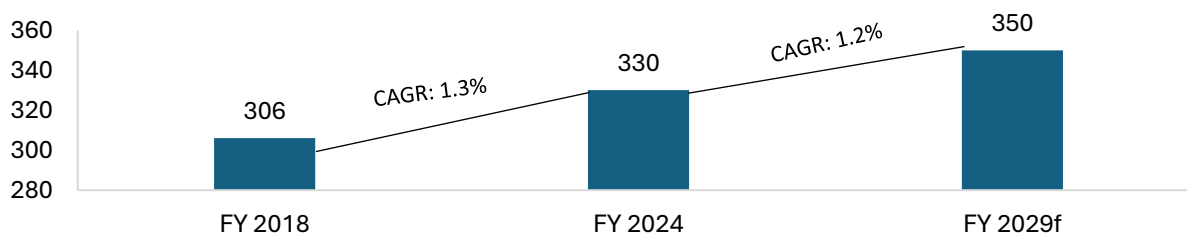
Guaiacol is a phenolic organic compound containing methoxy functional group with the formula C_6H_4 . Guaiacol appears as a viscous colourless oil, widely available in nature and is a common product of the pyrolysis of wood.

It is used as a precursor in the manufacture of vanillin and is also used in the synthesis of pharmaceuticals. Guaiacol is majorly used as expectorant, antiseptic and used as cough suppressant.

Global market demand: FY 2024

The Global market demand for Guaiacol was estimated to be around USD 330 Mn in FY 2024. In volume terms, the market was ~64,700 MT. The market is expected to grow at a CAGR of 1.2% by 2029F.

Exhibit 11.9.1 : Global Guaiacol Market Demand, USD Million, FY 2019-2029F



Source: Primary Interviews with Key Manufacturers

Applications and uses

Guaiacol is a versatile chemical compound with uses across numerous sectors. Guaiacol is a pre-cursor/ chemical intermediate to manufacture active pharmaceutical ingredients (“APIs”), such as methocarbamol, ranolazine, carvedilol, and guaifenesin. It is primarily used in the pharmaceutical industry in the production of cough syrups. It is also used as a key raw material for Vanillin, a food and flavour enhancer. Additionally, the synthesis of food ingredients and aroma products uses guaiacol.

It is also used in synthesis for food materials and perfumery products. The unique aromatic odour of guaiacol makes it suitable for acting as perfumery as well as flavouring agents. Guaiacol also finds applications in the agriculture sector as it protects the crop from damage and improves the crop yield. Guaiacol serves as a reducing agent for bio catalytic reactions also.

The key raw materials used to manufacture Vanillin Products are Guaiacol and Guethol. Synthetic Vanillin has been further segmented into Lignin Vanillin, Guaiacol Vanillin and Ethyl Vanillin. Guaiacol Vanillin currently represents the biggest segment. Given the favourable growth of Global Vanillin market in coming years, the Guaiacol market is expected to witness a consistent demand in future.

Guaiacol is used as a key starting material to produce APIs like Guaifenesin, Carvedilol, Ranolazine and Methocarbamol.

Exhibit 11.9.2: Global Guaiacol Application by Segment, FY 2024, USD 330 Million

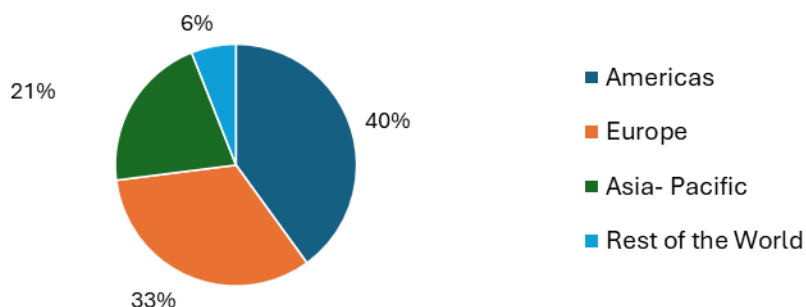


Source: Frost & Sullivan Research & Analysis

Global market demand, FY 2024, split by geography:

In terms of demand, Americas was the largest consuming region in FY 2024, followed by Europe and APAC. Production in India of Guaiacol is almost 12% of the global demand and was estimated around ~7,500 MT for FY 2024. Exports are about 1,000 MT.

Exhibit 11.9.3: Global Guaiacol Demand Split by Geography, FY 2024, USD 330 Million

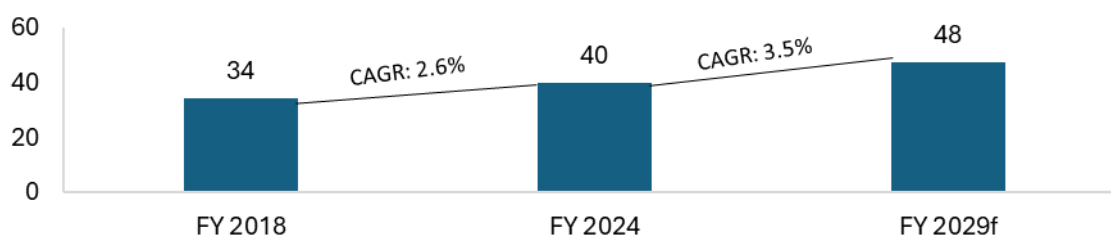


Source: Frost & Sullivan Research & Analysis

Indian guaiacol market FY 2024

The India Guaiacol market was valued at USD ~40 million in FY2024e. In volume terms, the market demand was around 7,980 MT. Some of the key players in Guaiacol market in India are Camlin Fine Sciences and Clean Sciences and Technology.

Exhibit 11.9.4: India Guaiacol Market Demand , USD Million, FY 2019-2029F



Source: Primary Interviews with Key Manufacturers

India market, FY 2024, local production, imports and exports:

Exhibit 1.9.5: India Guaiacol Market, Production vs Demand, USD Mn, FY 2024

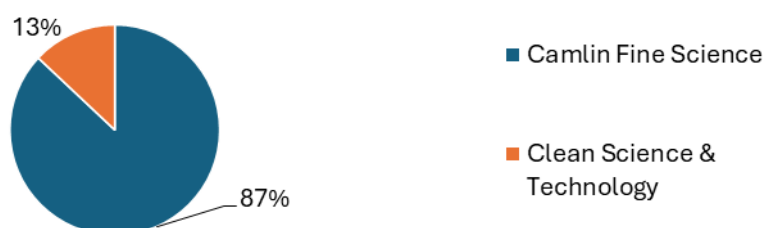
Production (USD Mn)	Import (USD Mn)	Export (USD Mn)	Demand (USD Mn)
~38.3	~7.6	~5.1	40.7

Source: Primary Interviews with Key Manufacturers, Impex databases and Frost & Sullivan Analysis

Solvay is the largest producer of Guaiacol globally followed by Indian players such as Clean Science & Technology, Camlin Fine Sciences, etc.

India produced approximately USD 38.3 Mn worth of Guaiacol in FY 2024. The Indian Guaiacol production market is fairly concentrated with the two players accounting for majority of Indian market. Vinati Organics Limited (VOL) is planning to set-up a 1,000 MT plant for Guaiacol.

Exhibit 11.9.6: Indian Guaiacol Production - Production Share of Key Companies, FY 2024, USD 40.7 Mn



Source: Frost & Sullivan Research & Analysis

GEM Aromatics has achieved forward integration from Guaiacol to Eugenol derivatives, marking a significant breakthrough in the industry. This achievement is made possible through the in-house development of a specialized catalyst. Leveraging its engineering prowess in clean methylation reactions, the company has successfully attained this feat, setting a global benchmark in innovation and sustainable chemical processes.

11.10 4-Methoxy Acetophenone (4MAP)

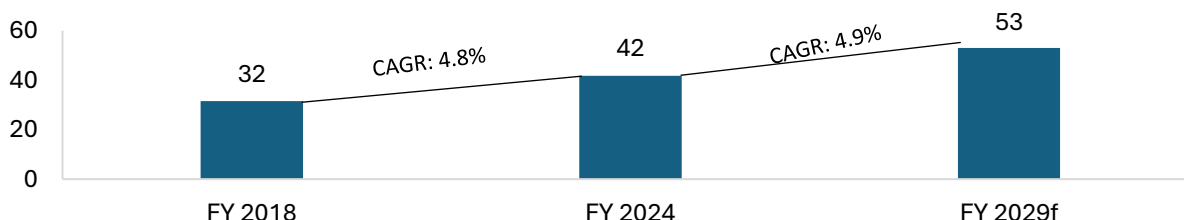
Product introduction

4-MAP is an aromatic chemical compound with an aroma described as sweet, fruity, nutty, and similar to vanilla. 4-MAP occasionally also has the aroma of butter or caramel. 4-MAP is a specialty chemical with UV blocker properties, primarily used in the cosmetics industry.

Global market demand: FY 2024

The Global market demand for 4MAP was estimated to be around USD 42 Mn in FY 2024. In volume terms, the market was ~7200 MT. The market is expected to grow at a CAGR of 4.9% by 2029F

Exhibit 11.10.1: Global 4MAP Market Demand, USD Million, FY 2019-2029F



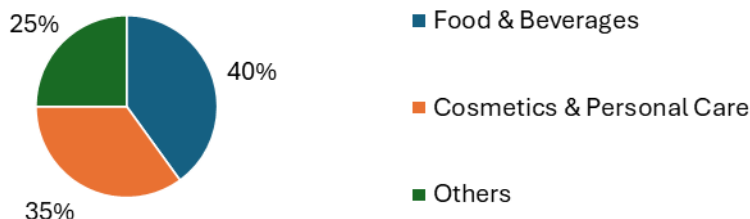
Source: Primary Interviews with Key Manufacturers

Applications and uses

4-MAP is a specialty chemical with UV blocker properties, primarily used in the cosmetics industry. It is one of the most common UVA filters in sunscreens and can absorb the full spectrum of UVA rays. It is also used in spices,

medicine and make-up intermediate, cigarette additive, and flavouring in food. It is also used as a chemical intermediate in manufacturing cosmetic additives. It is also used as a chemical intermediate in manufacturing cosmetic additives like Avobenzone.

Exhibit 11.10.2 : Global 4MAP Application by Segment, FY 2024, USD 42 Million

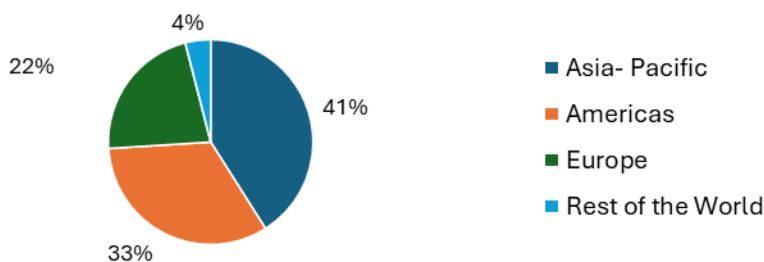


Source: Frost & Sullivan Research & Analysis

Global market demand, FY 2024, split by geography:

In terms of demand, Asia Pacific was the largest consuming region in FY 2024, followed by North America and Europe. Production in India of 4MAP is almost 25% of the global demand and was estimated around ~800 MT for FY 2024.

Exhibit 11.10.3: Global 4MAP Demand Split by Geography, FY 2024, USD 42 Mn

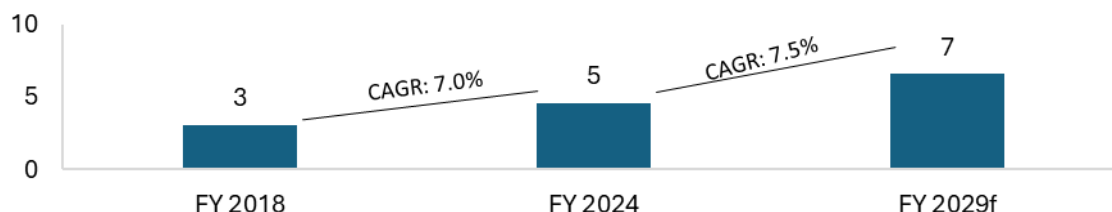


Source: Frost & Sullivan Research & Analysis

Indian 4MAP market FY 2024

The India 4MAP market was valued at USD ~5 million in FY2024e. In volume terms, the market demand was around 800 MT.

Exhibit 11.10.4: India 4MAP Market Demand , USD Million, FY 2019-2029F



Source: Primary Interviews with Key Manufacturers

India market, FY 2024, local production, imports and exports:

Exhibit 11.10.5: India 4MAP Market, Production vs Demand, USD Mn, FY 2024

Production (USD Mn)	Import (USD Mn)	Export (USD Mn)	Demand (USD Mn)
~10.8	~0	~6.0	4.8

Source: Primary Interviews with Key Manufacturers, Impex databases and Frost & Sullivan Analysis

India produced approximately USD 10.8 Mn worth of 4MAP in FY 2024. The Indian 4MAP market is largely catered by Clean Science & Technology. Globally other manufacturers of 4-MAP include Haining Sino Fine Chemical Company Limited (China) and Cosmos Nanjing (China)

11.11 Eucalyptus oil

Product introduction

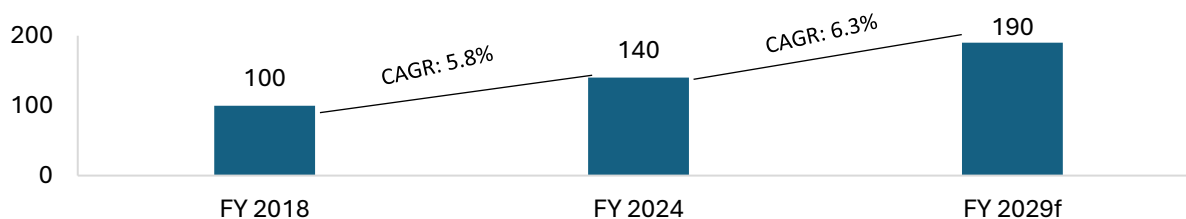
Eucalyptus oils are clear liquids with aromas characteristic of the particular species from which they are obtained. The oils are colourless when refined, but usually slightly yellow when first distilled from the leaf. Eucalyptus oil is extracted from fresh or partially dried leaves and young twigs and undergoes steam distillation. Like other essential oils they are mixtures of organic compounds - mainly terpenes - the individual components of which, and their proportions, determine the chemical and olfactory characteristics of the oil. The oil can be further refined to produce Eucalyptol.

The composition of the oil is dependent, mainly, on genetic rather than environmental factors. The species of Eucalyptus from which the oil is obtained is, therefore, the most important factor determining its quality and the use.

Global market demand: FY 2024

The global market for Eucalyptus oil was estimated to be around ~ USD 140 million in FY 2024. In volume terms, the market was around 9,350 MT. Prices vary by source plant and grades. While normal medicinal grades are around USD 8-12/kg, organic grades can go up to USD 35-40/kg. USD 8-12 has been considered to estimate the market size.

Exhibit 11.11.1: Global Eucalyptus oil Market Demand, USD Million, FY 2018-2029F



Source: Primary Interviews with Key Manufacturers

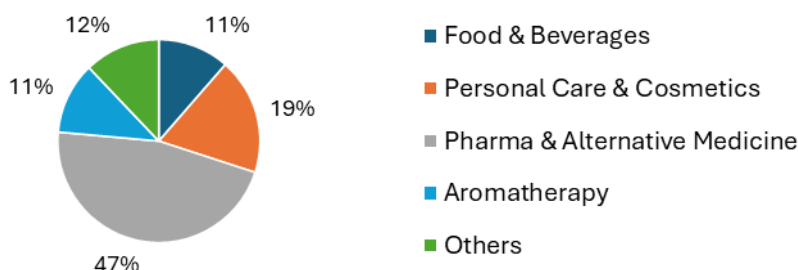
Applications and uses

The oils are classified in the industry into three broad types according to their composition and main end-use: Medicinal, Perfumery and Industrial. Of these, the most important in terms of volume of production and trade is the Medicinal type, characterized by a high Eucalyptol content in the oil, followed by Perfumery oils. Industrial grades are small volumes and a de-growing market.

The value of Eucalyptus oil for medicinal purposes lies in its eucalyptol content. This largely determines, also, the price that it fetches. While many other Essential oils are referred to simply by name Medicinal Eucalyptus oil is invariably specified in terms of Eucalyptol content.

Eucalyptus oil is used as a flavouring at low levels (0.002%) in various products, including baked goods, confectionery, meat products and beverages, in addition to its use as a food preservative. Eucalyptus oil is also used as a fragrance component to impart a fresh and clean aroma in soaps, detergents, lotions, and perfumes.

Exhibit 11.11.2: Global Eucalyptus Oil Application by Segment, FY 2024, USD 140 Mn



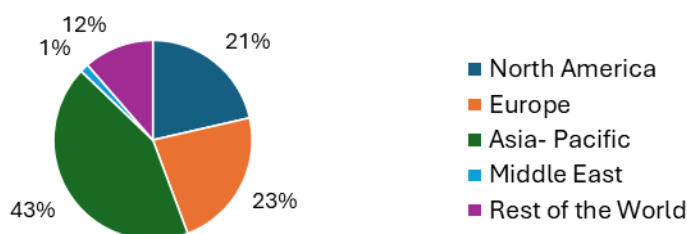
Source: Frost & Sullivan Research & Analysis

Others is primarily the use of Eucalyptus Oil as an insect repellent, bio-pesticide and as a cleaning agent in laundry products.

Global market demand, FY 2024, split by geography:

In terms of demand, Asia Pacific was the largest consuming regions in FY 2024, followed by Europe and North America.

Exhibit 11.11.3: Global Eucalyptus Market Demand by Geography, FY 2024, USD 140 Mn

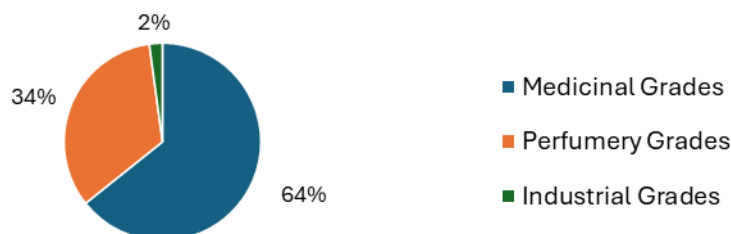


Source: Frost & Sullivan Research & Analysis

Global market demand, FY 2024, split by type:

The oils are classified in the industry into three broad types according to their composition and main end-use: Medicinal, Perfumery and Industrial. Medicinal oils are dominated by Eucalyptus oils obtained from *Eucalyptus globulus*; however other various species are also available. The key ingredient in medicinal grades in eucalyptol. Perfumery grades differ from medicinal oils in containing citronellal as the major component (usually around 65%-85%).

Exhibit 11.11.4: Global Eucalyptus oil Market Demand by type, FY 2024, Value USD ~140 Mn



Source: Frost & Sullivan Research & Analysis

China is the world’s largest producer, trader and consumer of Eucalyptus oil and is estimated to account for around 60%-65% of the world’s total production. Other key producing regions are Europe (specifically Portugal and Spain), Southern Africa (mainly Swaziland), East Africa, Australia, Brazil and India. This is in-line with the global cultivation hotspots of the Eucalyptus crop.

Eucalyptus Oil is extracted from fresh or partially dried leaves and young twigs and undergoes steam distillation. Accordingly, most producers set-up processing facilities close to farms.

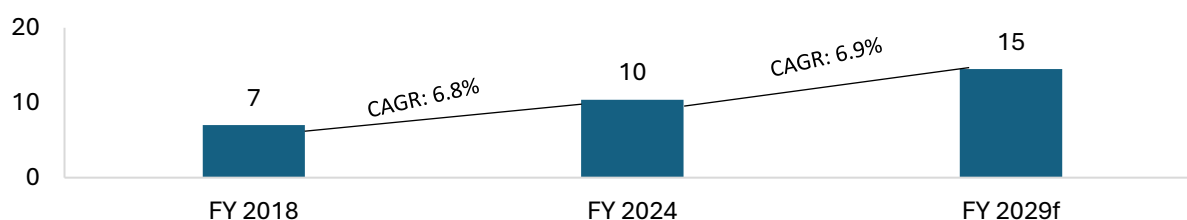
The key raw material for Eucalyptus Oil production is the Eucalyptus crop, which accounts for 60% - 65% of the total cost of production.

Supply of the raw material and prices of the oil have been relatively stable over the last few years.

Indian eucalyptus oil market FY 2024

The India Eucalyptus Oil market was valued at USD ~10 million in FY2024e. In volume terms, the market was estimated to be around 1,100 MT.

Exhibit 11.11.5: India Eucalyptus Oil Market Demand, USD Million, FY 2018-2029F



Source: Primary Interviews with Key Manufacturers

India market, FY 2024, local production, imports and exports:

Exhibit 11.11.6: India Eucalyptus Oil Market, Production vs Demand, USD Mn, FY 2024

Production (USD Mn)	Import (USD Mn)	Export (USD Mn)	Demand (USD Mn)
~3.5	~9.1	~2.5	10.0

Source: Primary Interviews with Key Manufacturers, Impex databases and Frost & Sullivan Analysis

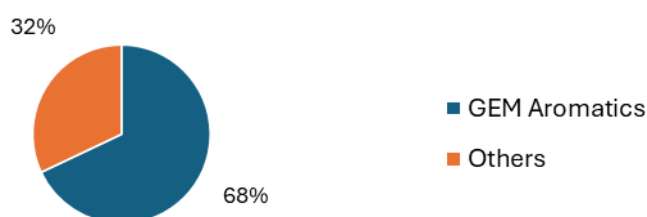
More than 70% of the imports is from China, while most of the exports for Eucalyptus Oil from India are to USA.

Eucalyptus crops are grown primarily in Andhra Pradesh, Telangana, Tamil Nadu, Punjab and Haryana. Oil production plants are typically located close to farms.

Local production of eucalyptus oil

The Indian Eucalyptus Oil production market is highly consolidated with **GEM Aromatics having over 68% of the market**. There have been substantial imports in 2023 and 2024 with higher imports of 60-65% oil, this has led to a slash in prices for refined oil. However, GEM Aromatics has been able to sustain its position.

Exhibit 11.11.7: Indian Eucalyptus Oil Volume- Production Share of Key Companies, FY 2024, USD 3.5 Mn



Source: Frost & Sullivan Research & Analysis

Others Include: Kambay aromatics, Greenleaf extractions, Bhagat Aromatics, etc.

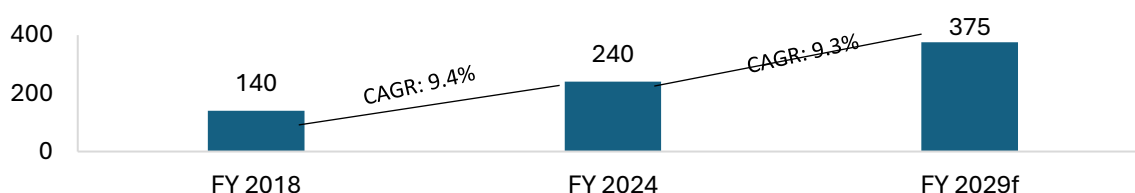
11.12 Cooling agents

Cooling agents are synthetic chemicals that is widely used in the food, beverage, and cosmetic industries. They are generally crystalline powders that have cooling effect like menthol but without the associated taste or odour. For the purpose of this report WS-23, WS-3, WS-5 and WS-12 have been considered. WS-23 is considered to be a next-generation cooling agent that is more effective and longer-lasting than traditional cooling agents like menthol or peppermint oil.

Global Market Demand: FY 2024

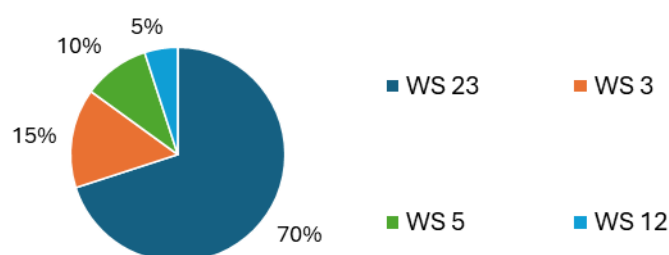
The global market for WS cooling agents was estimated to be around ~ USD 240 million in FY 2024. In volume terms, the market was around 4,500 MT.

Exhibit 11.12.1: Global WS Cooling Agents Market Demand, USD Million, FY 2018-2029F



Source: Primary Interviews with Key Manufacturers

Exhibit 11.12.2: Global WS Cooling Agents Market Demand by Type, USD 240 Mn, FY 2024



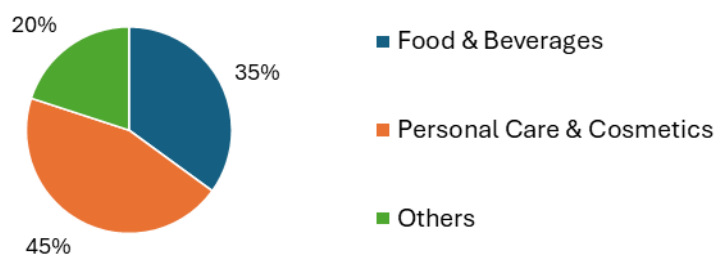
Source: Frost & Sullivan Analysis

Applications and uses

WS cooling agents are commonly used to enhance the cooling sensation of products such as chewing gum, candies, beverages such as sports drinks and carbonated soft drinks, oral care products and tobacco, specifically in vapes and e-cigarettes. It is also used in skincare and cosmetic products to provide a cooling and refreshing sensation on the skin.

WS-23 is considered safe for consumption and is approved for use by regulatory agencies such as the FDA in the United States and the EFSA in Europe.

Exhibit 11.12.3: Global WS-23 Cooling Agent Application by Segment, FY 2024, USD 240 Mn

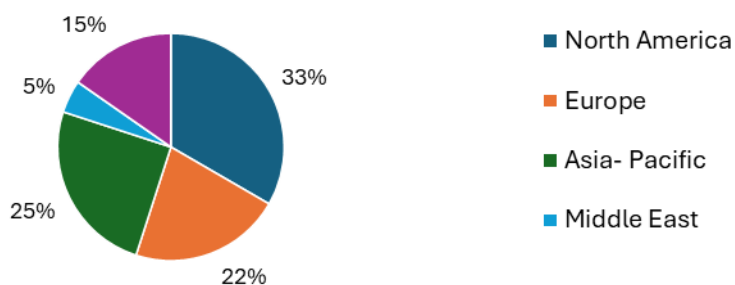


Source: Frost & Sullivan Research & Analysis

Global market demand, FY 2024, split by geography:

In terms of demand, North America was the largest consuming region in FY 2024, followed by Asia-Pacific (primarily China) and Europe.

Exhibit 11.12.4: Global WS Cooling Agents Market Demand by Geography, FY 2024, USD 240 Mn

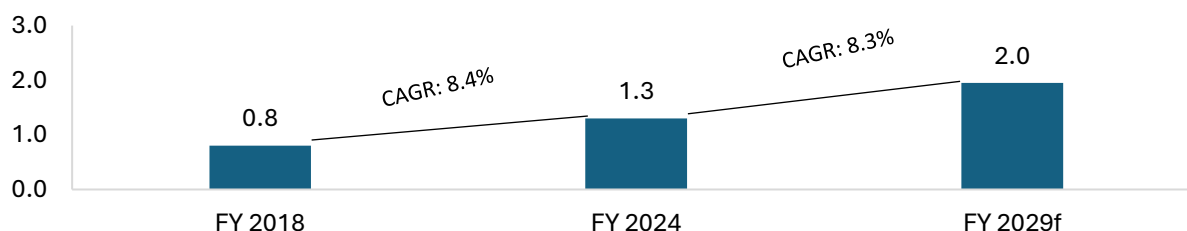


Source: Frost & Sullivan Research & Analysis

Indian WS cooling agent market FY 2024

The India WS Cooling Agents market was valued at USD ~1.3 million in FY2024. In volume terms, the market was estimated to be around 27 MT.

Exhibit 11.12.5: India WS Cooling Agents Market Demand, USD Million, FY 2018-2029F



The market in India is highly import dependent for WS cooling agents. Indian producers find it hard to compete with Chinese suppliers on the price of the product. Further the lack of local raw material production means that the Indian suppliers are dependent on Chinese manufacturers for the raw material as well. Key global suppliers include Anhui Chinaherb Flavours and Fragrances Co., Asia Aroma Holding Inc., Apple Flavour and Fragrance, Symrise, etc.

GEM Aromatics will have one of the largest capacity of about 500 MT for cooling agents in India as part of their planned expansion

12. Total addressable market in the identified products

GEM Aromatics enjoys leading position in many of the product lines that they operate in. Considering the market growth and the company legacy of experience in the industry since 1915, there is a higher opportunity to explore

The customers of the company are from diversified industries including personal care, flavour and fragrance formulation houses, cosmetic manufacturers, food and beverages etc both in domestic as well as global markets. Most of these industries have not seen impact of either the pandemic or the geopolitical changes on their demand and has helped GEM Aromatics' financial growth. This consistency also shows lower business risk even in the coming years.

A total potential of over US\$ 1750 Mn in 2029 at a global level and US\$ 485 Mn at India level for the select products, based on market demand is expected for essential oils (Peppermint Oil, Clove Oil, Eucalyptus Oil and Cooling Agents) Further a potential of US\$ 1035 and US\$ 200 for Global and Indian markets respectively, is expected for other aroma chemicals (Anethole, MEHQ, Guaiacol, 4MAP and BHA)

GEM Aromatics is well positioned to leverage their experience and reach to further explore the existing opportunities as well as new products

Exhibit 12.1 Total Addressable Market: Global and India

Product Category	Key End User Industries	Global Market Size (USD Million)- 2024	India Market Size (USD Million)- 2024	India Production Size (USD Million) -2024	India Positioning (% share of global supply)- 2024	GEM Aromatics' production Value FY 24 (USD Million)	GEM Aromatics' production Volume FY 24	India Production Current Market Share of GEM (%) -2024
Peppermint Oil	Food & Beverages, Pharma & Alternative Medicine, Cosmetics & Personal Care, Tobacco, Aromatherapy	785	456	635	81%	18.78	1,130	3%
Menthol		835	200	243	29%	16.41	1,300	7%
DMO		160	75	130	81%	13.75	1,100	11%
Clove Oil		100	17	17	17%	4.32	354	26%
Eugenol		90	11	6	7%	3.43	195	53%
Eucalyptus Oil		140	10	4	3%	2.39	266	68%
MEHQ		145	41	74	51%	Future strategy		
Anethole		185	22	14	8%			
Guaiacol		330	40	38	12%			
4MAP		42	4.6	11	26%			
BHA		147	92	50	34%			
Cooling Agents		240	1.3	NA	Negligible			

13. Competitive Benchmarking

1. A list of Key Performance Indicators for the Relevant Period:

Particulars	For the six month's period ended September 30, 2024*	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Revenue from Operations (₹ million)	2,048.94	4,524.52	4,247.93	3,143.29
Growth in revenue from operations (%)	NA	6.51%	35.14%	NA
Gross Profit (₹ million)	473.66	1,112.96	1,074.10	761.01
Gross Margin (%)	23.12%	24.60%	25.29%	24.21%
EBITDA (₹ million)	295.56	783.54	661.86	491.64
EBITDA Margin (%)	14.42%	17.32%	15.58%	15.64%
Profit for the Period/Year (₹ million)	183.25	501.04	446.72	311.86
Total Income (₹ million)	2,065.16	4,542.25	4,250.93	3,169.73
PAT Margin (%)	8.87%	11.03%	10.51%	9.84%
Return on Equity (%)	7.36%	21.73%	24.88%	22.57%
Return on Capital Employed (%)	6.96%	21.10%	22.85%	20.84%
Gross Fixed Assets Turnover Ratio (in times)	1.52	4.76	7.66	7.60
Net Debt to Total Equity (in times)	0.48	0.36	0.44	0.51
Net Working Capital Cycle (days)	193.10	162.51	172.71	181.33

* Ratios and percentages are not annualized for the six months' period ended September 30, 2024.

Notes –

1. Revenue from operations means the Revenue from operations for the period/year
2. Growth in Revenue from operations (%) is calculated as a percentage of Revenue from operations of the year minus Revenue from operations of the preceding year, divided by Revenue from operations of the preceding year
3. Gross profit is calculated as Revenue from operations minus cost of raw materials consumed minus purchase of stock-in-trade (traded goods) minus (increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade
4. Gross Margin is calculated as Gross Profit divided by Revenue from operations

5. Earnings before interest, tax, depreciation and amortization (EBITDA) is calculated as profit/ (loss) for the period/year plus finance costs, depreciation and amortization, exceptional items and total income tax expenses less other income.
6. EBITDA Margin is calculated as EBITDA divided by Revenue from operations.
7. Profit after tax (PAT) Margin is calculated as profit/ (loss) for the period/year divided by total income
8. Return on Equity is calculated as profit/ (loss) for the period/year (Excluding share of minority in profits) divided by total equity (Excluding non-controlling interest).
9. Return on Capital Employed is calculated as EBIT divided by capital employed. Capital employed is calculated as total equity plus current borrowings (including current maturities of non-current borrowings), non-current borrowings and deferred tax liability while EBIT is calculated as EBITDA less depreciation and amortization.
10. Gross Fixed Assets Turnover Ratio is calculated as Revenue from operations for the period/year divided by cost of property, plant and equipment, capital work-in-progress, right-of-use assets, goodwill, other intangible assets & intangible assets under development. In case of unavailability of cost of right-of-use assets, we have taken the carrying value.
11. Net Debt to Total Equity is calculated as net debt divided by total equity. Net Debt is calculated as current borrowings (including current maturities of non-current borrowings) plus non-current borrowings less cash and cash equivalents less other bank balances.
12. Net Working Capital Cycle (days) is calculated as net working capital divided by revenue from operations multiplied by 365 (year)/183 (six month's). Net Working Capital is calculated as inventories plus trade receivables minus trade payables.

2. Comparison of KPI's of listed peers:

a. For the six month's period ended September 30, 2024*

Particulars	Gem Aromatics Limited	Clean Science & Technology Limited	Privi Speciality Chemicals Limited	Camlin Fine Sciences Limited	Yasho Industries Limited	S H Kelkar and Company Limited	Oriental Aromatics Limited
Revenue from Operations (₹ million)	2,048.94	4,621.45	9,967.69	8,188.25	3,367.70	10,128.10	4,525.28
Growth in revenue from operations (%)	-	-	-	-	-	-	-
Gross Profit (₹ million)	473.66	2,951.54	4,438.64	3,817.16	1,336.00	4,638.50	1,832.39
Gross Margin (%)	23.12%	63.87%	44.53%	46.62%	39.67%	45.80%	40.49%
EBITDA (₹ million)	295.56	1,843.39	2,045.65	721.58	497.70	374.40	507.22
EBITDA Margin (%)	14.42%	39.89%	20.52%	8.81%	14.78%	3.70%	11.21%
Profit for the Period (₹ million)	183.25	1,246.77	762.97	(1,507.58)	19.00	(470.10)	257.62
Total Income (₹ million)	2,065.16	4,653.81	10,039.42	8,225.17	3,389.90	10,341.10	4,563.25
PAT Margin (%)	8.87%	26.79%	7.60%	(18.33)%	0.56%	-4.55%	5.65%
Return on Equity (%)	7.36%	9.61%	7.69%	(21.86)%	0.64%	(4.04)%	3.93%
Return on Capital	7.39%	11.32%	7.01%	2.19%	2.83%	(0.48)%	4.36%

Employed (%)							
Gross Fixed Assets Turnover Ratio (in times) [#]	1.52	-	-	-	-	-	-
Net Debt to Total Equity (in times)	0.48	-	1.02	0.94	1.98	0.51	0.35
Net Working Capital Cycle (days)	193.10	91.09	142.06	105.46	122.90	136.35	158.34

*Ratios and percentages are not annualized for the six months' period ended September 30, 2024.

[#] Data for the calculation of Gross Fixed Assets Turnover Ratio for Listed Peers is not available.

b. For financial year ended March 31, 2024

Particulars	Gem Aromatics Limited	Clean Science & Technology Limited	Privi Speciality Chemicals Limited	Camlin Fine Sciences Limited	Yasho Industries Limited	S H Kelkar and Company Limited	Oriental Aromatics Limited
Revenue from Operations (₹ million)	4,524.52	7,914.85	17,522.35	16,130.62	5,935.64	19,299.90	8,364.05
Growth in revenue from operations (%)	6.51%	(15.42)%	8.98%	(4.07)%	(11.61)%	14.44%	(1.49)%
Gross Profit (₹ million)	1,112.96	5,144.02	7,428.52	6,994.41	2,134.54	8,495.40	2,649.30
Gross Margin (%)	24.60%	64.99%	42.39%	43.36%	35.96%	44.02%	31.67%
EBITDA (₹ million)	783.54	3,320.65	3,249.63	241.11	998.05	3,068.40	469.37
EBITDA Margin (%)	17.32%	41.95%	18.55%	1.49%	16.81%	15.90%	5.61%
Profit for the Period (₹ million)	501.04	2,440.26	954.30	(1,048.75)	579.37	1,235.50	91.04
Total Income (₹ million)	4,542.25	8,327.71	17,785.34	16,286.18	6,009.70	19,360.20	8,436.85
PAT Margin (%)	11.03%	29.30%	5.37%	(6.44)%	9.64%	6.38%	1.08%
Return on Equity (%)	21.73%	20.28%	10.32%	(12.13)%	19.66%	10.19%	1.44%
Return on Capital Employed (%)	21.10%	23.20%	10.71%	(3.56)%	9.90%	11.59%	3.14%
Gross Fixed Assets Turnover Ratio (in times)	4.76	0.91	0.97	1.38	0.76	1.42	1.45

Net Debt to Total Equity (in times)	0.36	-	1.03	0.65	1.82	0.42	0.30
Net Working Capital Cycle (days)	162.51	82.74	151.30	107.37	127.70	150.07	164.42

c. For financial year ended March 31, 2023

Particulars	Gem Aromatics Limited	Clean Science & Technology Limited	Privi Speciality Chemicals Limited	Camlin Fine Sciences Limited	Yasho Industries Limited	S H Kelkar and Company Limited	Oriental Aromatics Limited
Revenue from Operations (₹ million)	4,247.93	9,357.99	16,078.20	16,815.64	6,715.52	16,865.20	8,490.73
Growth in revenue from operations (%)	35.14%	36.64%	14.54%	19.08%	9.61%	7.82%	-2.27%
Gross Profit (₹ million)	1,074.10	6,098.44	6,468.30	8,683.33	2,563.36	6,818.40	2,723.02
Gross Margin (%)	25.29%	65.17%	40.23%	51.64%	38.17%	40.43%	32.07%
EBITDA (₹ million)	661.86	4,020.95	1,859.21	1,955.95	1,149.80	1,968.90	542.13
EBITDA Margin (%)	15.58%	42.97%	11.56%	11.63%	17.12%	11.67%	6.39%
Profit for the Period (₹ million)	446.72	2,951.76	212.78	398.10	678.68	629.50	197.43
Total Income (₹ million)	4,250.93	9,656.24	16,292.42	16,873.63	6,825.95	16,983.30	8,548.01
PAT Margin (%)	10.51%	30.57%	1.31%	2.36%	9.94%	3.71%	2.31%
Return on Equity (%)	24.88%	29.23%	2.57%	4.86%	28.52%	5.91%	3.16%
Return on Capital Employed (%)	22.96%	35.41%	4.14%	8.25%	16.95%	6.93%	3.95%
Gross Fixed Assets Turnover Ratio (in times)	7.66	1.52	0.97	1.51	1.65	1.33	1.94
Net Debt to Total Equity (in times)	0.44	-	1.25	0.83	1.27	0.47	0.34
Net Working Capital Cycle (days)	172.71	68.06	181.85	126.85	118.97	146.35	202.41

d. For financial year ended March 31, 2022

Particulars	Gem Aromatics Limited	Clean Science & Technology Limited	Privi Speciality Chemicals Limited	Camlin Fine Sciences Limited	Yasho Industries Limited	S H Kelkar and Company Limited	Oriental Aromatics Limited
Revenue from Operations (₹ million)	3,143.29	6,848.86	14,037.20	14,120.89	6,126.61	15,641.90	8,687.92
Growth in revenue from operations (%)	-	-	-	-	-	-	-
Gross Profit (₹ million)	761.01	4,602.22	5,727.51	6,525.95	2,234.38	6,386.70	2,959.80
Gross Margin (%)	24.21%	67.20%	40.80%	46.21%	36.47%	40.83%	34.07%
EBITDA (₹ million)	491.64	2,998.88	1,991.33	1,526.75	929.69	2,027.00	925.27
EBITDA Margin (%)	15.64%	43.79%	14.19%	10.81%	15.17%	12.96%	10.65%
Profit for the Period (₹ million)	311.86	2,284.95	973.80	603.72	522.86	1,494.20	533.02
Total Income (₹ million)	3,169.73	7,148.59	14,361.15	14,451.23	6,229.87	15,817.00	8,732.00
PAT Margin (%)	9.84%	31.96%	6.78%	4.18%	8.39%	9.45%	6.10%
Return on Equity (%)	22.57%	29.73%	11.99%	8.07%	30.21%	14.75%	8.81%
Return on Capital Employed (%)	22.08%	34.82%	7.28%	7.00%	20.78%	7.73%	9.79%
Gross Fixed Assets Turnover Ratio (in times)	7.60	1.56	0.93	1.44	2.46	1.26	2.26
Net Debt to Total Equity (in times)	0.51	-	1.07	0.64	0.93	0.50	0.21
Net Working Capital Cycle (days)	181.33	74.38	149.65	112.89	91.41	155.12	168.29

Notes –

- i. Revenue from operations means the Revenue from operations for the period/year
- ii. Growth in Revenue from operations (%) is calculated as a percentage of Revenue from operations of the year minus Revenue from operations of the preceding year, divided by Revenue from operations of the preceding year
- iii. Gross profit is calculated as Revenue from operations minus cost of raw materials consumed minus purchase of stock-in-trade (traded goods) minus (increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade
- iv. Gross Margin is calculated as Gross Profit divided by Revenue from operations
- v. Earnings before interest, tax, depreciation and amortization (EBITDA) is calculated as profit/ (loss) for the period/year plus finance costs, depreciation and amortization, exceptional items and total income tax expenses less other income

- vi. *EBITDA Margin is calculated as EBITDA divided by Revenue from operations*
- vii. *Profit after tax (PAT) Margin is calculated as profit/ (loss) for the period/year divided by total income*
- viii. *Return on Equity is calculated as profit/ (loss) for the period/year (Excluding share of minority in profits) divided by total equity (Excluding non-controlling interest)*
- ix. *Return on Capital Employed is calculated as EBIT divided by capital employed. Capital employed is calculated as total equity plus current borrowings (including current maturities of non-current borrowings), non-current borrowings and deferred tax liability while EBIT is calculated as EBITDA less depreciation and amortization.*
- x. *Gross Fixed Assets Turnover Ratio is calculated as Revenue from operations for the period/year divided by cost of property, plant and equipment, capital work-in-progress, right-of-use assets, goodwill, other intangible assets & intangible assets under development. In case of unavailability of cost of right-of-use assets, we have taken the carrying value.*
- xi. *Net Debt to Total Equity is calculated as net debt divided by total equity. Net Debt is calculated as current borrowings (including current maturities of non-current borrowings) plus non-current borrowings less cash and cash equivalents less other bank balances.*
- xii. *Net Working Capital Cycle (days) is calculated as net working capital divided by revenue from operations multiplied by 365 (year)/183 (six month's). Net Working Capital is calculated as inventories plus trade receivables minus trade payable.*

OUR BUSINESS

*Some of the information in the following section, including information with respect to our business plans and strategies, consists of certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. You should read the section “**Forward-Looking Statements**” beginning on page 19 for a discussion of the risks and uncertainties related to those statements and the section “**Risk Factors**” beginning on page 29, “**Management’s Discussion and Analysis of Results of Operations**” beginning on page 329, “**Industry Overview**” beginning on page 143 for a discussion of certain risks that may affect our business, financial condition, or results of operations.*

*Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our “**Restated Consolidated Financial Information**” beginning on page 270. Financial information for the six month period ended September 30, 2024, is not indicative of the financial results for the full year and is not comparable with financial information for the years ended March 31, 2024, 2023 and 2022. Also see, “**Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation**” beginning on page 16.*

*Only to the extent explicitly indicated, industry and market data used in this section has been derived from the report titled ‘Independent Market Report for Gem Aromatics’ dated December 26, 2024, prepared and issued by F&S (the “**F&S Report**”), commissioned by and paid for by our Company. The F&S Report has been prepared and issued by F&S for the purpose of understanding the industry exclusively in connection with the Offer. 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 fiscal or calendar year, refers to such information for the relevant fiscal or calendar year. For further details, see “**Risk Factors – Internal Risks – 51. Certain sections of this Draft Red Herring Prospectus disclose information from the F&S Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.**” on page 61 and the section titled “**Industry Overview**” beginning on page 143. Also see, “**Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation**” beginning on page 16.*

Unless the context otherwise requires, in this section, all references to “we”, “us”, or “our” refers to our Company and its Subsidiaries on a consolidated basis, while, all references to “the Company” or “our Company” refers to Gem Aromatics Limited on a standalone basis.

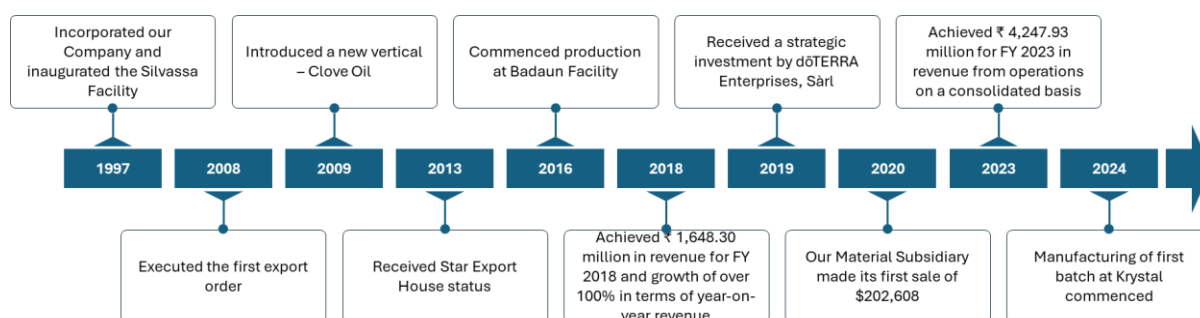
OVERVIEW

We are an established manufacturer of specialty ingredients, including, essential oils, aroma chemicals and Value-Added Derivatives in India with a track record of over two decades. We offer a diversified portfolio of products, ranging from the Mother Ingredients to its various Value-Added Derivatives. Our products find application across a broad spectrum of industries, such as, oral care, cosmetics, nutraceuticals, pharmaceuticals, wellness and pain management and personal care. We are one of the prominent essential oils and Value-Added Derivatives manufacturers in India, based on value and volume manufactured, specializing in products that are derived from mint and clove oil. (Source: F&S Report) Our track record, diverse product portfolio and brand recall has helped us establish several leadership positions within our product portfolio, for instance, in India, we have a dominant presence in essential oil-based products and derivatives that are manufactured from mint, clove, eucalyptus oils and other essential oils. (Source: F&S Report) The largest segments under essential oil are – Orange oil, Mint oil, Clove oil, and Eucalyptus oil. We are present in three of the four major categories. (Source: F&S Report) During FY 2024 in India, we were the largest procurer of Piperita oil, and the largest processor of DMO, Clove oil, Eugenol and Eucalyptus Oil in terms of volume manufactured. (Source: F&S Report) As on FY 2024, our share of DMO and Eugenol in India was 11% and 62%, respectively, in terms of volume manufactured. (Source: F&S Report)

Our in-house manufacturing and R&D capabilities have contributed towards our track record of product innovation and launches and assisted us with maintaining consistent product quality. With over two decades of experience, we have developed our expertise in advanced organic synthesis through application of complex chemistries like Grignard’s, amide coupling, Friedel-Crafts reactions, cross-coupling chemistry, photochemical reactions, and methoxylation using green chemistry. Our advanced capabilities also extend to high-pressure reactions, continuous processes, fixed-bed systems, and process automation.

We offer 70 products across our four product categories, namely, (i) mint and mint derivatives; (ii) clove and clove derivatives; (iii) phenol; and (iv) other synthetic and natural ingredients. We enjoy leading position in many of the product lines that we operate in. (Source: F&S Report) Considering the market growth and our legacy of experience in the industry since 1915, there is a higher opportunity to explore. (Source: F&S Report) With a focus on servicing our customers and manufacturing quality products, we commenced our operation in Fiscal 1999 in the mint and mint derivative category with products like spearmint and piperita. In order to expand our product portfolio, we commenced production and sale under the clove and clove derivative category in 2009. In continuation with our focus on expanding our product portfolio, we are in the process of introducing products under the new category, being, citral. Over the years our Company has been recognised with awards and accolades, including, “Export Excellence Award for outstanding performance in category of One Star Export House – MSME (Gold)” from Federation of Indian Export Organisation for the years 2017-18 and 2019-20, “Export Excellence Award for outstanding performance in category of Two Star Export House – MSME (Silver)” from Federation of Indian Export Organisation for the years 2020-21. Our Company has also been accorded the status of a “Three Star Export House” by the Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry Government of India. For further details, see “*History and Certain Corporate Matters – Key awards, accreditations and recognition*” on page 239.

Further, in 2019, dōTERRA Enterprises, Sàrl (“dōTERRA”), invested in our Company and while we initially started with supply of spearmint and piperita, during the six month period ended September 30, 2024 and the past three Fiscals, we have been supplied 18 products to dōTERRA Global Limited. For further details of the Supply Agreement entered with dōTERRA Global Limited and investment made by dōTERRA in our Company, see “*History and Certain Corporate Matters – Summary of key material agreements*” and “*History and Certain Corporate Matters – Shareholders’ agreements and other agreements*” on pages 241 and 240, respectively.



The table below sets forth a break-up of our revenue from sale of products across our product categories, each category comprising both natural and synthetic ingredients, for the periods indicated:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
Mint and mint derivatives	1,408.79	68.76	3,297.90	72.89	2,972.56	69.98	2,385.50	75.89
Clove and clove derivatives	445.59	21.75	683.02	15.10	640.92	15.09	315.38	10.03
Phenol	22.44	1.10	17.54	0.39	1.58	0.04	0.06	0.00
Other synthetic and natural ingredients*	133.70	6.53	471.83	10.43	577.76	13.60	411.01	13.08
Total^	2,010.52	98.14	4,470.29	98.81	4,192.82	98.71	3,111.95	99.00

* Including eucalyptus, eucalyptol, lemon grass, amongst others.

^ Remaining percentage consists other operating revenues

Historically, due to the seasonal nature of our business, we have experienced higher revenues in the second half of the financial year as compared to the first half of the financial year. For further details see, “*Risk Factors – Internal Risk Factors – 13. Some of the raw materials used in our production processes are natural resources and therefore we are subject to the seasonality and risk of depletion of such natural resources.*” on page 38.

The table below sets out the total addressable market both in India and globally:

Product Category	Key End User Industries	Global Market Size (USD Million) - 2024	India Market Size (USD Million) - 2024	India Production Size (USD Million) - 2024	India Positioning (% share of global supply) - 2024	Our Company's production Value FY 24 (USD Million)	Our Company's production Volume FY 24	India Production Current Market Share of our Company (%) - 2024
Peppermint Oil	Food & Beverages, Pharma & Alternative Medicine, Cosmetics & Personal Care, Tobacco, Aromatherapy	785	456	635	81%	18.78	1,130	3%
Menthol		835	200	243	29%	16.41	1,300	7%
DMO		160	75	130	81%	13.75	1,100	11%
Clove Oil		100	17	17	17%	4.32	354	26%
Eugenol		90	11	6	7%	3.43	195	53%
Eucalyptus Oil		140	10	4	3%	2.39	266	68%
MEHQ		145	41	74	51%	Future strategy		
Anethole		185	22	14	8%			
Guaiaicol		330	40	38	12%			
4MAP		42	4.6	11	26%			
BHA	147	92	50	34%				
Cooling Agents	240	1.3	NA	Negligible				

Source: F&S Report.

We have established long standing relationships with several domestic and global corporate customers such as, Colgate-Palmolive (India) Limited, Dabur India Limited, Patanjali Ayurved Limited, SH Kelkar and Company Limited, Rossari Biotech Limited, Symrise Private Limited, dōTERRA, Ventos So Brasil Eireli and Anhui Houtian Spices Co. Ltd. as well as several domestic and global merchant traders. As on September 30, 2024, we supply our products to 170 customers, domestically and 30 customers across 13 countries globally, covering geographies including the Americas, Asia, Africa and Australia. In the domestic market, we sell our products directly to our customers on a business-to-business basis and our export sales are undertaken through a combination of methods such as (i) direct sales by our Company to our customers; (ii) sales through our Material Subsidiary, i.e., Gem Aromatics LLC, based in the USA; or (iii) sales through third party agencies.

The following table sets forth a breakdown of our revenue from operations, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

Particulars	For the six month period ended September 30, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations
Sale of products – domestic sales	1,156.22	56.43	2,228.43	49.25	1,529.49	36.00	1,274.36	40.54
Sale of products – export sales	854.30	41.69	2,241.86	49.55	2,663.33	62.70	1,837.59	58.46
Other operating revenues	38.42	1.88	54.23	1.20	55.11	1.30	31.34	1.00
Total	2,048.94	100.00	4,524.52	100.00	4,247.93	100.00	3,143.29	100.00

We operate three manufacturing facilities located in Budaun, Uttar Pradesh (“**Budaun Facility**”), Silvassa, Dadra and Nagar Haveli and Daman and Diu (“**Silvassa Facility**”) and Dahej, Gujarat (“**Dahej Facility**”), and together with the Budaun Facility and Silvassa Facility, the “**Manufacturing Facilities**”).

The table below sets forth the details of the Manufacturing Facilities:

Name of the entity which owns/ has leased the property	Manufacturing facility location	Manufacturing facility address	Built-up area (in sq. mt.)	Production capacity as of September 30, 2024 (in MTPA)*
Gem Aromatics Limited	Budaun, Uttar Pradesh	8/9/10 Khasara No, Village Gathona, Ujhani Budaun Rd, District: Budaun #243639 UP, India	5,915	3,200
Gem Aromatics Limited	Silvassa, Dadra and Nagar Haveli and Daman and Diu	Plot No.2, Survey No. 16/4/2, Near Alok Industries, Rakholi, Silvassa #396230 (D&NH), India.	1,340	1,500
Krystal Ingredients Private Limited	Dahej, Gujarat	Plot number- D-3/97, GIDC Industrial Estate, Dahej- III, Vagara, Bharuch, Gujarat, Bharuch-392130 Gujarat	100	46

*Annualized

As certified by Anjaria Enviro Tech Private Limited by way of certificate dated December 23, 2024.

For further details on our installed capacity, see “– **Installed Capacity and Capacity Utilization**” on page 222.

As on September 30, 2024, we have a dedicated in-house R&D team comprising of 15 scientists, that play a pivotal role in implementing the state-of-the-art technology adopted by us, that has helped us advance our formulations across the Value-Added Derivatives. Our manufacturing operations are bolstered by our dedicated research and development facility in Maharashtra (“**R&D Facility**”). We believe that our in-house R&D capabilities have been instrumental in our success by allowing us to work closely with our customer and develop products as per their specific requirements, including, their proprietary ratio of ingredients. Our in-house R&D capabilities assist us to achieve customised products for our customers, in terms of the specific fragrance profile of the product or a particular flavour.

Our Promoters, have been an integral part in the establishment and growth of our Company and with over two decades of experience in the specialty ingredients industry, including, essential oils, aroma chemicals and Value-Added Derivatives, have been instrumental in our continued growth. We have an experienced Board of Directors who bring their respective experience and expertise to our operations. The Key Management Personnel and the Senior Management Personnel of the Company contribute to the growth of the Company through their commitment and expertise and we believe our experienced and dedicated senior management team also enables us to identify market opportunities, formulate and execute business strategies, manage customer expectations and proactively address changes in market conditions.

Some of our key performance indicators (“**KPIs**”) include:

Particulars	Unit	For the six months ended September 30, 2024	For the financial year ended March 31, 2024	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Revenue from Operations	₹ in million	2,048.94	4,524.52	4,247.93	3,143.29
Growth in revenue from operations	%	NA	6.51	35.14	NA
Gross Profit	₹ in million	473.66	1,112.96	1,074.10	761.01
Gross Margin	%	23.12	24.60	25.29	24.21
EBITDA	₹ in million	295.56	783.54	661.86	491.64
EBITDA Margin	%	14.42	17.32	15.58	15.64
Profit for the Period/ Year	₹ in million	183.25	501.04	446.72	311.86
Total income	₹ in million	2,065.16	4,542.25	4,250.93	3,169.73
PAT Margin	%	8.87	11.03	10.51	9.84
Return on Equity	%	7.36	21.73	24.88	22.57
Return on Capital Employed	%	6.96	21.10	22.85	20.84
Gross Fixed Assets Turnover Ratio	In times	1.52	4.76	7.66	7.60
Net Debt to Total Equity	In times	0.48	0.36	0.44	0.51
Net Working Capital Cycle	Days	193.10	162.51	172.71	181.33

* Ratios and percentages are not annualized for the six months period ended September 30, 2024.

Notes:

1. Revenue from operations means the Revenue from operations for the period/year
2. Growth in Revenue from operations (%) is calculated as a percentage of Revenue from operations of the year minus Revenue from operations of the preceding year, divided by Revenue from operations of the preceding year
3. Gross profit is calculated as Revenue from operations minus cost of raw materials consumed minus purchase of stock-in-trade (traded goods) minus (increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade
4. Gross Margin is calculated as Gross Profit divided by Revenue from operations
5. Earnings before interest, tax, depreciation and amortization (EBITDA) is calculated as profit/ (loss) for the period/year plus finance costs, depreciation and amortization, exceptional items and total income tax expenses less other income.
6. EBITDA Margin is calculated as EBITDA divided by Revenue from operations.
7. Profit after tax (PAT) Margin is calculated as profit/ (loss) for the period/year divided by total income
8. Return on Equity is calculated as profit/ (loss) for the period/year (Excluding share of minority in profits) divided by total equity (Excluding non-controlling interest).
9. Return on Capital Employed is calculated as EBIT divided by capital employed. Capital employed is calculated as total equity plus current borrowings (including current maturities of non-current borrowings), non-current borrowings and deferred tax liability while EBIT is calculated as EBITDA less depreciation and amortization.
10. Gross Fixed Assets Turnover Ratio is calculated as Revenue from operations for the period/year divided by cost of property, plant and equipment, capital work-in-progress, right-of-use assets, goodwill, other intangible assets & intangible assets under development. In case of unavailability of cost of right-of-use assets, we have taken the carrying value.
11. Net Debt to Total Equity is calculated as net debt divided by total equity. Net Debt is calculated as current borrowings (including current maturities of non-current borrowings) plus non-current borrowings less cash and cash equivalents less other bank balances.
12. Net Working Capital Cycle (days) is calculated as net working capital divided by revenue from operations multiplied by 365 (year)/183 (six months). Net Working Capital is calculated as inventories plus trade receivables minus trade payables.

COMPETITIVE STRENGTHS

We are an established manufacturer of specialty ingredients, including, essential oils, aroma chemicals and Value-Added Derivatives in India

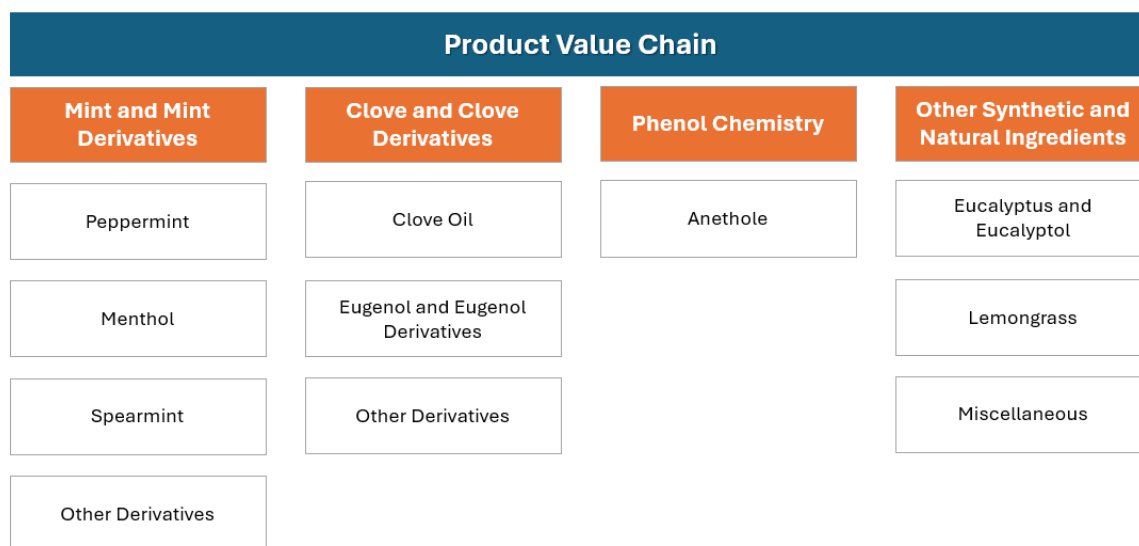
We are an established manufacturer of specialty ingredients, including, essential oils, aroma chemicals and Value-Added Derivatives in India with a track record of over two decades. Within the product categories in which we operate, we offer a diversified portfolio of products, ranging from the Mother Ingredients to its various Value-Added Derivatives. In India, we have a dominant presence in essential oil-based products and derivatives that are manufactured from mint, clove, eucalyptus oils and other essential oils. (Source: F&S Report) During FY 2024 in India, we were the largest procurer of Piperita oil, and the largest processor of DMO, Clove oil, Eugenol and Eucalyptus Oil in terms of volume manufactured. (Source: F&S Report) As on FY 2024, our share of DMO and Eugenol in India was 11% and 62%, respectively, in terms of volume manufactured. (Source: F&S Report) We are among the large producers of Mint oil in India. (Source: F&S Report) The Indian Eucalyptus Oil production market is highly consolidated with GEM Aromatics having over 68% of the market. (Source: F&S Report)

The Indian Flavors and fragrances market was estimated at USD 2.49 Bn in 2024e and is expected to reach at USD 3.74 Bn by 2029. (Source: F&S Report) Unlike in the global developed market formulated flavours and fragrances has a lower share in the market. (Source: F&S Report) Aroma chemicals and Essential oils see a higher uptake due to their usage in incense sticks a unique market specific to India, with some specific single aroma requirements. (Source: F&S Report) Highest growth of CAGR 8.8% is expected in Essential oils as they are perceived natural, environment friendly without any adverse effect on health. (Source: F&S Report) The largest segments under essential oil are – Orange oil, Mint oil, Clove oil, and Eucalyptus oil. We are present in three of the four major categories. (Source: F&S Report) We are among the prominent manufacturers of essential oil-based products and derivatives in India, specializing in products that are derived from mint, clove, eucalyptus oils and other essential oils. (Source: F&S Report) On the basis of competition, currently, the firms including Firmenich SA, Givaudan, Symrise AG, and International Flavors & Fragrances, Inc, account for more than 60% share of the global market. (Source: F&S Report) All other companies, both internationally and locally, make up the remaining 40%. (Source: F&S Report) Some of the other companies includes Sensient Technologies Corporation, Mane SA, Takasago International Corporation, Frutarom, Roberter SA, and among others. (Source: F&S Report) We supply our essential oil products to all the above mentioned companies/ flavour & fragrance ingredient houses. (Source: F&S Report)

Wide product range with continuous product development and R&D capabilities

We have a wide and differentiated product category, which includes 70 products as of September 30, 2024, and is spread across our four product categories, namely, (i) mint and mint derivatives; (ii) clove and clove derivatives; (iii) phenol; and (iv) other synthetic and natural ingredients. We also have established manufacturing capabilities for new product categories like citral and are in the process of expanding our production capabilities in the same

by expanding the capacity of our Dahej Facility. For further details see, “*Growth Strategies – Expansion of manufacturing capacities for existing and new products*” on page 216. Within the product categories in which we operate, we offer a diversified portfolio of products, ranging from the Mother Ingredients to its various Value-Added Derivatives.



Since we operate in a fragmented market, it is critical to be able to provide a holistic product portfolio to our customers and drive our brand equity. We have a wide product portfolio across the demand spectrum and are not dependent on a single demand factor. We believe that our diversified product categories at various price points have enabled us to achieve an effective presence and has enhanced our relationship with our customers. We estimate that our portfolio breadth leaves us well placed for future growth, and that we are well positioned to continue to expand our product range to keep pace with the dynamic customer requirements and also to expand our addressable market size.

Our in-house manufacturing and R&D capabilities have contributed towards our track record of product innovation and launches and assisted us with maintaining consistent product quality. We aim to maintain a high standard in our manufacturing operations and R&D is critical to our growth and success. Our R&D team is capable of understanding and handling complex chemistries, including, Grignard’s, amide coupling, Friedel-Crafts reactions, cross-coupling chemistry, photochemical reactions, and methoxylation using green chemistry, while on the technology side, has capabilities to undertake operations such as continuous and high-pressure reaction technology, fixed-bed reactions, process automation, and high-vacuum fractional distillation, among others. While we initially undertook our R&D activities at our Silvassa Facility, as on date of this Draft Red Herring Prospectus, our Company has a dedicated in-house R&D Facility in Maharashtra, which is a fully equipped R&D facility as well as a pilot plant with all the facilities and equipment needed for a simple scale-up procedure.

Our R&D team focuses on the development of new formulations, as well as product and process improvements to achieve better quality and efficacy for our existing products. For instance, due to our extensive R&D activities, since 2021, we are able to offer a larger number of step derivatives process in the mint and clove value chains and have also developed synthetic anethole. Further in 2022, we have developed the following capabilities:

- citral chemistry, including saffranal and dameascons;
- effluent free and vapour phase based process for production of anisole from phenol; and
- effluent free process for synthetic anethole.

Our R&D efforts focus on forward and backward integration of the manufacturing product chain with developments. For instance, we have developed forward integration capabilities for menthol by production of cooling agents. Further, we have developed capabilities for production of anisole which has forward integration capabilities into monomethyl ether of hydroquinone (MEHQ), guaiacol, 4 methoxy acetophenone (4MAP). Our Company has achieved forward integration from Guaiacol to Eugenol derivatives, marking a significant

breakthrough in the industry. (Source: F&S Report) This achievement is made possible through the in-house development of a specialized catalyst. (Source: F&S Report) Leveraging its engineering prowess in clean methylation reactions, we have successfully attained this feat, setting a global benchmark in innovation and sustainable chemical processes (Source: F&S Report). We also have started manufacturing of key catalyst inhouse to increase our backward integration capabilities at our manufacturing process. Such backward integration enables us to have a robust control over the process and product quality as well as provides further avenues for customisation and development of super speciality products.

Our R&D operations are supported by a team of 15 scientists. For further details on R&D capabilities and initiatives, see “**Our Operations – R&D Facility**” on page 223.

We rely on our manufacturing and R&D capabilities to enable us to supply quality products to the customers.

Long standing relationship with well-established customers in India and globally

The formulated flavours and fragrance/ F&F blends segment is dominated by global suppliers as this segment requires considerable investment in Research and product development. (Source: F&S Report) Intellectual property safeguarding, loyal customer base, strong branding are some of the major requirements apart from R&D in this segment, which act as major entry barriers for new players. (Source: F&S Report) FMCG companies risk losing customers in the event of any change in fragrance or flavour profile of the product. (Source: F&S Report) Thus, once onboarded and having delivered results as a supplier, FMCG companies are reluctant to change suppliers. (Source: F&S Report)

The process of being inducted as a supplier by key marquee players, who are FMCG companies making their own flavours and fragrances and flavours and fragrances houses who are making flavours and fragrances for FMCG and other industries, who use our products as a raw material, involves various assessments, including, composition of product offers, quality control various quality certifications and established track record.

In over two decades of our operations, we have established long-standing relationships with several well established Indian and global customers such as Colgate-Palmolive (India) Limited, Dabur India Limited, Patanjali Ayurved Limited, SH Kelkar and Company Limited, Rossari Biotech Limited, Symrise Private Limited, dōTERRA, Ventos So Brasil Eireli and Anhui Hautian Spices Co. Ltd. Some of the major players in toothpaste market includes Colgate, Close-up, Pepsodent, Sensodyne, Oral-B, Meswak, Dabur Red Toothpaste, Patanjali, Himalaya, among others. There is dominance of GEM Aromatics in the oral care segment with customers such as Colgate, Dabur, Patanjali. (Source: F&S Report)

As on date of this Draft Red Herring Prospectus, we have a valid supply agreement dated April 11, 2019 entered into amongst our Company and dōTERRA Global Limited (formerly known as dōTERRA GH Ireland Limited) (“**dōTERRA**”) (“**Supply Agreement**”) and an addendum to the Supply Agreement dated November 4, 2023 (“**Addendum to Supply Agreement**”). During the six month period ended September 30, 2024 and the past three Fiscals, we have supplied 18 products to dōTERRA, basis the provisions of the Supply Agreement. Further, the provisions of the Supply Agreement, ascertain annual minimum quantities for the sale of our products to dōTERRA and provide standard liability clauses in relation to quality and delivery of our products. For further details of the Supply Agreement and the Addendum to Supply Agreement, see “**History and Certain Corporate Matters – Summary of key material agreements**” on page 241.

In the six month period ended September 30, 2024 and in the last three Fiscals, we have served 472 customers, which includes marquee domestic and global customers. We believe that the strength of our customer relationships is attributable to our ability to customize to customer specifications and requirements, as well as our track record of consistent delivery of quality and cost-effective products over the years. As a result of our deep-rooted association with our customers, our Company often receives new product requirements from such customers which in turn, helps us to expand our product base.

As of March 31, 2024, we have long standing relationships with our top five, top 10 and top 15 customers as set out below:

Particulars	1-5 years	5-10 years	More than 10 years
Top five	1	1	3
Top 10	5	2	3
Top 15	9	3	3

Set out in the table below are our revenue from operations from our top 10 customers, based on our Restated Consolidated Financial Information for the periods as indicated:

Particulars of the top 10 customers*^	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
Customer 1	219.11	10.69	854.57	18.89	860.97	20.27	492.51	15.67
Customer 2	210.74	10.29	323.05	7.14	325.11	7.65	364.65	11.60
Customer 3	185.54	9.06	230.54	5.10	307.22	7.23	345.78	11.00
Customer 4	166.30	8.12	154.29	3.41	282.83	6.66	175.85	5.59
Customer 5	84.60	4.13	151.96	3.36	232.91	5.48	138.38	4.40
Customer 6	69.70	3.40	147.70	3.26	231.47	5.45	130.30	4.15
Customer 7	59.09	2.88	134.34	2.97	165.18	3.89	125.61	4.00
Customer 8	54.09	2.64	130.17	2.88	147.88	3.48	117.46	3.74
Customer 9	53.75	2.62	124.35	2.75	121.59	2.86	113.64	3.62
Customer 10	51.87	2.53	109.77	2.43	120.68	2.84	106.03	3.37
Total	1,154.79	56.36	2,360.74	52.19	2,795.84	65.81	2,110.21	67.14

*Our top 10 customers include Colgate Palmolive (India) Limited, dōTERRA Global Limited and Ventos Do Brasil LTDA; names of other customers have not been included in the above table because consents for disclosure of such customer names were not available.

^ Top 10 customer have been included in each year / period independently.

Our in-house R&D capabilities coupled with our diversified product portfolio has helped us develop and maintain long-term relationships with our customers. We believe that our ability to provide products without altering the flavour profile at competitive rates has been instrumental in strengthening our existing customer relationships and helping us acquire new customer. Our proven track record and diverse product portfolio has helped us in attracting new customers and expanding product base with existing customers such as Colgate Palmolive (India) Limited, Dabur India Limited, Ventos So Brasil Eireli and Anhui Hautian Spices Co. Ltd.

Such long-term association with customers also gives us revenue visibility, cross selling opportunities of our existing and future products to existing customers and enables us to demonstrate our quality.

Strategically located Manufacturing Facilities with focus on sustainability

As on date of this Draft Red Herring Prospectus, we operate three Manufacturing Facilities located in Uttar Pradesh, Dadra and Nagar Haveli and Daman and Diu and Gujarat and as on September 30, 2024 had 131 manufacturing personnel. As of September 30, 2024, our Manufacturing Facilities had a total installed capacity of 4,746 MTPA, across a wide range of products.

One of the primary raw materials which is Natural Mint oil is available in abundance in India. Our Budaun Facility is located in the heart of the Mint cultivation belt of India which includes Mentha Arvensis, Piperita, Spearmint and Mentha Citrata (Bergamot Mint) (species of flowering plant in the Mint family). (Source: F&S Report) Our Silvassa Facility is strategically located close to Jawaharlal Nehru Port in Nhava Sheva, Maharashtra and help reduce time for export shipments. (Source: F&S Report) This also reduces our import costs for raw materials that are imported from Indonesia, Germany, China, Rwanda and Madagascar. (Source: F&S Report) Our Dahej Facility will provide us access to phenol, with one of the largest suppliers of phenol in the vicinity. (Source: F&S Report) The Dahej Facility has an already established effluent discharge eco-system which will provide us in effectively discharging effluents that may be generated in manufacturing of certain products. (Source: F&S Report) The Dahej Facility is strategically located close to Mumbai-Delhi Expressway and Jawaharlal Nehru Port, Hazira. (Source: F&S Report)

Our product expertise is built on the complex combination of technology capabilities and sophisticated chemistry. Our primary technology capabilities include, distributed control system (“DCS”) process automation, fixed bed reaction technology, high pressure reaction technology, continuous reaction technology, and high vacuum distillation technology (wiped film/ short route). In line with our focus on enhancing operational efficiency by leveraging latest technology, our manufacturing operations involve a degree of automation, and accordingly reducing the margin of error and inefficiencies typically associated with manufacturing processes operated manually. In addition, our production capacity and equipment has helped us to maintain our cost efficiency.

Our streamlined efforts to achieve process excellence and improvement has led to obtain various certifications including, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and 22000 FSSC 22000 (version 6) consisting of ISO 22000:2018, ISO/Ts 22002-1:2009 and Additional FSSC 22000 requirements (version 6) for Unit II of our Budaun Facility. We have also obtained a certification of Good Manufacturing Practice for our Budaun Facility and FSSAI registrations for our Manufacturing Facilities, as well as relevant Kosher and Halal certifications for certain specified products. Further, our customers also have exacting quality standards and adhering to such standards is a pre-requisite for us to be able to obtain repeat orders from such customers, owing to which, two customers have undertaken two audits and have approved our Manufacturing Facilities and processes in the six month period ended September 30, 2024 and the past three Fiscals.

Our Dahej Facility is a multipurpose plant capable of producing majority of products from our product offering. The installed manufacturing capabilities can be deployed across varied models like contract research organisation, contract manufacturing organisation and contract development and manufacturing organisation for various speciality chemical catering to various FMCG companies and flavours and fragrances houses both domestically and globally.

With a focus on sustainability, we have installed integrated effluent management systems, which include biological treatment plants, multi-effect evaporators for high total dissolve solvents streams, and reverse osmosis plants for recycling treated effluents, due to which certain sections of our Budaun Facility function as zero liquid discharge units.

Experienced Promoters and management team

We are led by an experienced management team that we believe has the expertise and vision to manage and grow our business. Our Promoters and Directors, Vipul Parekh and Kaksha Vipul Parekh have been associated with our Company since incorporation and Yash Vipul Parekh has been associated with our Company since April 29, 2011. Under the leadership of our Promoters, we have been able to expand our operations and have established a significant presence in India and globally. Our Promoter and Director, Kaksha Vipul Parekh, has received ‘*Export Excellence Award for outstanding performance in category of Women Entrepreneur – MSME*’ from Federation of Indian Export Organisation for the years 2021-2022, 2018-19 and 2017-18 and ‘*Certificate of Felicitation – SME Activator*’ for remarkable contribution in the SME sector by the Economic Times.

Our Board of Directors also includes executive and non-executive Directors, including independent directors, with extensive experience, who bring in significant business expertise including in the areas of finance, management, law, chemical engineering and chemistry. For further details, see “***Our Management – Board of Directors***” on page 245.

We have a well-qualified senior management team with extensive experience in the specialty ingredients industry, including, essential oils, aroma chemicals and Value-Added Derivatives, which positions us well to capitalize on future growth opportunities. Our Senior Management Personnel, include, our Chief Operating Officer, Dinesh TV who has been associated with our Company since October 3, 1997. The heads of functional groups enhance the quality of our management with their specific and extensive industry experience. For further details, see “***Our Management – Key Managerial Personnel and Senior Managerial Personnel***” on page 260.

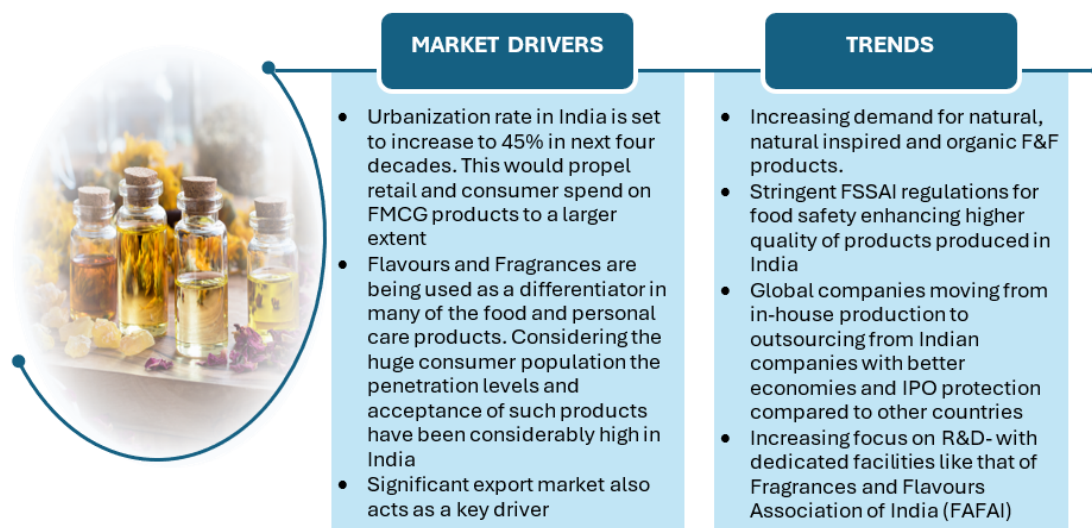
We are supported by our committed employee base and believe we have a mutually beneficial relationship with our employees. We continuously strengthen our capabilities by providing in-house training to our workforce to diversify their skillsets and keep them updated with the latest changes in manufacturing technologies and processes. We believe this helps in containing our operating expenses, while consistently maintaining our drive for growth. We have stringent recruitment policies and hire qualified individuals. As of September 30, 2024, we had 232 full-time employees and 15 contract workers.

OUR GROWTH STRATEGIES

Expansion of manufacturing capacities for existing and new products.

As on date of this Draft Red Herring Prospectus, we manufacture our products in our three Manufacturing Facilities located in Budaun, Uttar Pradesh, Silvassa, Dadra and Nagar Haveli and Daman and Diu and Dahej, Gujarat.

Set out below are certain market drivers and trends according to the F&S Report:



Source: F&S Report

In order to meet the expected rise in consumer demand across our product categories, we have undertaken further capital expenditure as indicated in the table below, primarily towards enhancing our manufacturing capabilities across our range of product categories.

Particulars	For the six month period ended September 30, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount (₹ in million)	% of the Gross property, plant and equipment* & Intangible Assets	Amount (₹ in million)	% of the Gross property, plant and equipment* & Intangible Assets	Amount (₹ in million)	% of the Gross property, plant and equipment* & Intangible Assets	Amount (₹ in million)	% of the Gross property, plant and equipment* & Intangible Assets
Capital expenditure	400.95	32.40	391.41	46.47	144.07	31.91	52.45	16.90

*Also includes capital work-in-progress.

For further details on our installed capacity, see “– *Installed Capacity and Capacity Utilization*” on page 222.

We intend to streamline our operations and enhance our manufacturing capacity and further widen our product portfolio by adding products such as safranal and damascene under our new product category, being citral. We will have one of the largest capacity of about 500 MT for cooling agents in India as part of our planned expansion. (Source: F&S Report) For the same, we are in the process of expanding the capacity of our Dahej Facility. We continue to focus on further integrating our operations and benefit from economies of scale and improve operating margins.

We are focussed on adopting the best practices and standards across our Manufacturing Facilities, drawing on our management’s expertise and experience. The management team closely oversees our operational performance against established and target metrics and take appropriate action as required. By planning for a high utilization rate and with the commissioning of additional capacities we strive to continue reducing our cost of production and achieving economies of scale.

Widen our product offerings by expanding our chemistry capabilities in order to expand our addressable market size and capture higher client wallet share

We intend to continue to focus on our R&D initiatives to expand our product portfolio and focus on scaling production of complex compositions. Over the years, through our in-house R&D initiatives we have increased the

number of products developed in-house. We are well positioned to leverage our experience and reach to further explore the existing opportunities as well as new products. (Source: F&S Report). We are also in the process of developing new products.

We intend to continue to develop products under existing product categories as well as introduce new product categories and improve processes to meet existing and prospective customer demands, enhance the quality of our products, and meet increasing compliance requirements. We intend to expand the production capabilities of our new product category, being, citral, for which we are in the process of expanding the capacity of our Dahej Facility. For further details see, “– *Expansion of manufacturing capacities for existing and new products*” on page 216.

We also intend to expand our R&D team and hire additional experienced personnel. We continue to seek opportunities to introduce new products. For instance, we launched anethole in 2023. In addition, to develop and manufacture our own products, relying on our in-house R&D capabilities, we intend to continue to engage with our customers to increase our product portfolio which have potential for increased growth and better margins thereby increasing our profitability.

Set out in the table below are our R&D expenditure for the periods as indicate:

Particulars	For the six month period ended September 30, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense
R&D expenditure	7.57	0.42	17.99	0.47	8.26	0.22	0.21	0.01

We estimate that investment in R&D and expansion of our R&D team, will provide us with long-term growth opportunities and help us better position ourselves to meet evolving market requirements. We seek to leverage our market position, understanding of preferences of the customer to enable us to develop quality products while ensuring that we remain distinctive and well-differentiated.

Continuing focus on sustainability and reducing operating costs and improving operational and business efficiency

We intend to improve our sustainability, cost efficiency and productivity by implementing clean technologies as well as effective and efficient operational techniques. Our operations team, comprising of experienced members, adopts best practices in line with industry standards across our Manufacturing Facilities.

In line with our philosophy of being an environmentally conscious and responsible business, our R&D focus is tuned to develop evolving technologies in green manufacturing. While, generally, the manufacturing of anisole and derivative products of anisole results in the discharge of sulphate based hazardous effluents, the green manufacturing process developed by our Company results in zero discharge of hazardous effluents and water would be the only by-product. To this end we have already developed certain vapour phase continuous reactions. We believe that our green manufacturing initiatives in addition to be environment friendly, will also be efficacious in terms of cost and yield. We will have the second largest capacity in India manufacturing Anisole with a capacity of 7,000 MT via clean green vapor phase method. (Source: F&S report)

By employing clean technologies of producing Anisole from Phenol, our Company distinguishes manufacturing process from conventional manufacturing processes and optimize use of non-toxic raw materials, resulting in lower effluent generation. (Source: F&S report)

We also constantly aim to identify opportunities to implement product improvements to optimize production processes. For instance:

- **Automation:** In line with our focus on bringing in operational efficiency, our manufacturing operations involve a degree of automation, and accordingly reducing the margin of error and inefficiencies typically associated with manufacturing processes operated manually. In addition, our extensive equipment and degree of automation has helped us to maintain our cost efficiency.
- **Reducing lead time in manufacturing:** We are continuously working to make our manufacturing processes more efficient. We expect that the modification of product mix helps us achieve an optimal ratio and minimises

material movement within the plant and leads to production efficiency.

Quality control and assurance are our key focus areas in the manufacturing process, we have implemented comprehensive quality systems covering manufacturing, supply chain, and product delivery and conduct regular internal audits, ensure compliance with both local and international regulations, reinforcing our dedication to consistent quality, safety, and efficacy. We continuously evaluate the cost-benefit of our operations so that we can focus our efforts on delivering the best quality products. Further, we believe our large scale installed production capabilities also enables us to produce greater volumes of products from our Manufacturing Facilities and spread our fixed costs more widely to reduce our production costs on a per unit basis, allowing us to reduce our unit sales price and increase our competitiveness. For further details see, “– *Quality Control*” on page 224.

We continue to invest in increasing our operational efficiency. We are committed to further optimize production processes, by improving our installed production capability, debottlenecking our critical production processes and minimizing wastage during production. We estimate that our advanced Manufacturing Facilities and R&D capabilities will help us reduce production cost and increase production.

We rely on company-wide SAP systems, used to manage and co-ordinate all resources, information and functions of the business on a real-time basis. The SAP systems help in integration of different functional areas to facilitate proper communication, material management, manufacturing planning, productivity, quality and efficiency in decision making. It further helps in tracking customer demands and assisting in maintaining optimum inventory levels. Our investments towards improving our IT infrastructure are aimed towards increasing our productivity and the efficiency of our resources.

We intend to manage our operating costs through leveraging technology as we expect it will not only improve our sales but also ensure customer satisfaction. We also propose to further strengthen our data analytics which will enable a better understanding of the preferences of our customers, improve sales and help in scaling our operations. As on September 30, 2024, we had a data analytics team consisting of four members.

Expanding our geographical reach through growing exports

As of September 30, 2024, we have a clientele with an established pan-India presence. We seek to continue to develop our distribution network and increase our geographical reach through reinforcing and expanding our distribution channels. We participate in industry-specific conferences and events, both domestically and globally, to enhance our Company’s visibility and facilitate engagement with potential customers.

In terms of our international presence, we intend to expand our distribution capabilities in the American markets, Asian markets and Australian markets. As on the date of this Draft Red Herring Prospectus, we have presences in the United States of America, China, Singapore, Brazil, France, Thailand, Spain, Germany and United Kingdom. We estimate with our product offering and quality, we will be able to generate significant sales from our exports.

The following table sets forth a breakdown of our revenues from operations from the different geographies, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
India	1,156.22	56.43	2,228.43	49.25	1,529.49	36.01	1,274.36	40.54
USA	451.57	22.04	1,487.08	32.87	1,768.31	41.63	1,003.30	31.92
China	54.23	2.65	216.65	4.79	233.36	5.49	364.12	11.58
Brazil	210.68	10.28	212.94	4.71	135.34	3.19	114.17	3.63
Singapore	0.45	0.02	40.52	0.90	148.32	3.49	35.65	1.13
Rest of the world*	137.37	6.70	284.67	6.29	378.00	8.90	320.35	10.19
Total	2,010.52	98.12	4,470.29	98.81	4,192.82	98.71	3,111.95	98.99

*Rest of the world includes France, Thailand, Spain, Germany and United Kingdom.

We aim to leverage our diverse product portfolio, customer acceptance in domestic markets and manufacturing and R&D capabilities to expand our domestic as well as international presence. We estimate that as we increase

our exports to international markets, we will be able to increase our addressable market, expand our geographical footprint and improve our profitability. Furthermore, our strategy of diversifying our revenue base and expanding our geographical footprint helps us mitigate the risks associated with economic fluctuations in any one region and our high dependence on select customers.

OUR PRODUCTS PORTFOLIO

We are one of the prominent essential oils and Value-Added Derivatives manufacturers in India, based on value and volume manufactured, specializing in products that are derived from mint and clove oil. (Source: F&S Report)

We offer a wide ranging and diversified bouquet of essential oil-based products in four product categories: (i) mint and mint derivatives; (ii) clove and clove derivatives; (iii) phenol; and (iv) other synthetic and natural ingredients.

The following table sets forth our key products:

Product	Launch year	End use
Mint and mint derivatives		
Peppermint	1998	Oral care, cosmetics, nutraceuticals, pharmaceuticals, wellness and pain management and personal care
Spearmint	1998	
Menthol	2010	
Clove and clove derivatives		
Clove Oil	2003	Oral care, cosmetics, nutraceuticals, pharmaceuticals, wellness and pain management and personal care
Eugenol and Eugenol Derivatives	2005	
Phenol		
Anethole	2023	Oral care
Other synthetic and natural ingredients		
Eucalyptus and Eucalyptol	2004	Oral care, cosmetics, nutraceuticals, pharmaceuticals, wellness and pain management and personal care
Lemongrass	2016	
Miscellaneous	2008	

OUR OPERATIONS

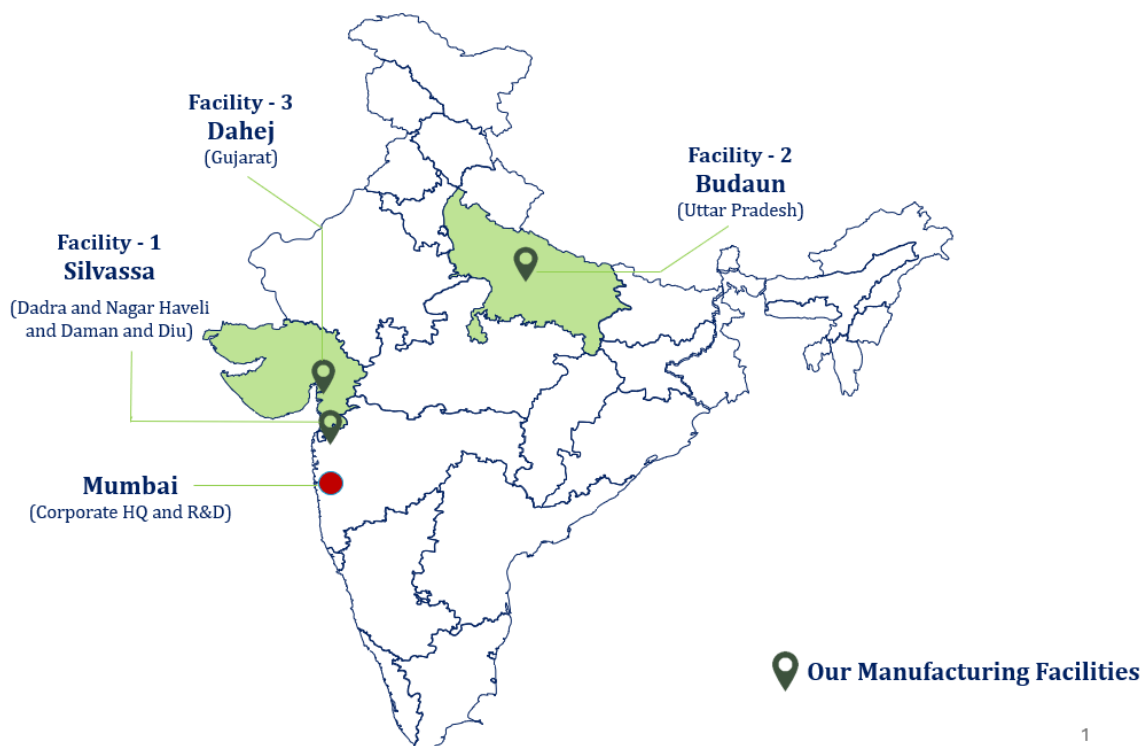
Manufacturing process

Set out below is a general process flow for essential oils and aroma derivatives and isolates



Manufacturing Facilities

The map below illustrates our Manufacturing Facilities, as of September 30, 2024:



1

Manufacturing Facilities

Our manufacturing infrastructure, advanced technologies and automation are key growth drivers for our intermediates and speciality chemicals business. As on date of this Draft Red Herring Prospectus, we operate three Manufacturing Facilities located in Budaun, Uttar Pradesh, Silvassa, Dadra and Nagar Haveli and Daman and Diu and Dahej, Gujarat.

The table below sets forth the details of the Manufacturing Facilities:

Name of the entity which owns/ has leased the property	Manufacturing facility location	Manufacturing facility address	Built-up area (in sq. ft.)
Gem Aromatics Limited	Budaun, Uttar Pradesh	8/9/10 Khasara No, Village Gathona, Ujhani Budaun Rd, District: Budaun #243639 UP, India	5,915
Gem Aromatics Limited	Silvassa, Dadra and Nagar Haveli and Daman and Diu	Plot No.2, Survey No. 16/4/2, Near Alok Industries, Rakholi, Silvassa #396230 (D&NH), India.	1,340
Krystal Ingredients Private Limited	Dahej, Gujarat	Plot number- D-3/97, GIDC Industrial Estate, Dahej- III, Vagara, Bharuch, Gujarat, Bharuch-392130 Gujarat	100

Installed capacity and capacity utilization

The following tables set forth the annual installed capacity of the Manufacturing Facilities for the product in the six month period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Product Category	Fiscal/ Period											
	Six month period ended September 30, 2024			2024			2023			2022		
	Installed Capacity p.a. (in metric tonnes) *	Actual Production (in metric tonnes)	Capacity Utilisation (%) ***	Installed Capacity p.a. (in metric tonnes) #	Actual Production (in metric tonnes)	Capacity Utilisation (%)#	Installed Capacity p.a. (in metric tonnes)	Actual Production (in metric tonnes)	Capacity Utilisation (%)	Installed Capacity p.a. (in metric tonnes)	Actual Production (in metric tonnes)	Capacity Utilisation (%)
Budaun Facility												
Mint and mint derivatives	2,200.00	995.96	90.54%	2,200.00	2,193.82	99.72%	1,825.00	1,456.95	79.83%	1,700.00	1,554.43	91.44%
Clove and clove derivatives	400.00	128.20	64.10%	400.00	229.22	57.31%	400.00	154.29	38.57%	300.00	93.23	31.08%
Other synthetic and natural ingredients*	300.00	93.80	62.53%	300.00	244.85	81.62%	300.00	274.53	91.51%	300.00	139.12	46.37%
Phenol	300.00	26.84	17.89%	300.00	14.19	4.73%	300.00	1.12	0.37%	300.00	0.05	0.02%
Silvassa Facility**												
Mint and mint derivatives	500.00	248.99	99.60%	500.00	497.98	99.60%	500.00	257.11	51.42%	400.00	341.22	85.30%
Clove and clove derivatives	600.00	238.08	79.36%	600.00	343.83	57.31%	500.00	286.53	57.31%	500.00	173.13	34.63%
Other synthetic and natural ingredients	200.00	62.53	62.53%	200.00	150.07	75.03%	200.00	183.02	91.51%	200.00	150.72	75.36%
Phenol	200.00	10.44	10.44%	200.00	7.64	3.82%	200.00	0.92	0.46%	200.00	0.04	0.02%
Dahej Facility#												
Clove and clove derivatives	46.00	12.00	52.17%	3.80	0.49	12.89%	0	0	0%	0	0	0%

Set out in the table below are the installed capacity, available production capacity, actual production and capacity utilisation details (product wise) at the Budaun, Silvassa and Dahej Manufacturing Facilities for the periods indicated:

* Installed capacities for the Period ended 30th Sept 2024 is annualised.

** Certain products manufactured at Budaun facility are transported to Silvassa facility to be shipped further due to operational convenience and proximity of Port to the Silvassa facility

***The capacity utilisation for the period ended 30th September 2024 is annualised.

Our Dahej facility commenced production in March 2024 with one product line. The capacity utilisation is annualised.

R&D Facility

Our R&D capabilities are important to remain competitive in the flavours and fragrance industry in India and to sustain profitable growth. We constantly seek to develop new products and derivatives and, strong research and development capabilities are a cornerstone of our product development and process refinements. We continually invest in product development to create a differentiating factor and sustainability of our products. In addition to our Manufacturing Facilities, we have a R&D Facility with a dedicated R&D team located in Maharashtra, which is equipped with modern equipment comprising *inter alia* R&D distillation column, R&D glass distillation columns, fume hood, submersible pump, vacuum pumps, pyrolyser, fixed bed reactor, high pressure hydrogenator, vapour phase reactor, which are regularly assessed and adjusted.

This helps us widen our product offerings to our customers. In addition, our product development team also works closely with our customers' teams from time to time, to jointly develop customised products to cater to specific requirements identified by them.

We have structured our R&D activities into three focus areas:

- (i) for existing products and catalyst systems, to improve yields and selectivity in our existing product portfolio;
- (ii) for expanding our product portfolio across newer chemistry; and
- (iii) for identifying products with high demand that only limited manufacturers produce within India and globally.

As on September 30, 2024, we have a qualified and experienced R&D team comprising of 15 scientists. Our R&D team is capable of understanding and handling complex chemistries, including, Grignard's, organometallic chemistry, hydrogenation, homogeneous and heterogeneous catalysis, and cross-coupling chemistry, which are involved in our formulations, in the process of synthesis and our products.

Raw materials

Sourcing quality raw materials is a critical aspect of our business operations. The table below sets out the primary raw materials for each of our key products:

Product	Raw materials
Mint and mint derivatives	
Peppermint	Mentha arvensis, mentha piperita, natural identical sources and petrochemicals
Spearmint	Mentha spicata, natural identical sources
Menthol	Mentha arvensis, natural identical sources and petrochemicals
Clove and clove derivatives	
Clove Oil	Crude clove leaf oil
Eugenol and Eugenol Derivatives	Crude clove leaf oil
Phenol	
Anethol	Anisole
Other synthetic and natural ingredients	
Eucalyptus and Eucalyptol	Crude eucalyptus oil
Lemongrass	Lemon grass oil
Miscellaneous	Other essential oils and petro chemicals

Our raw materials include, piperita, arvensis, crude DMO, menthol, clove oil, eugenol, eucalyptus oil, eucalyptol, spearmint oil and basil oil. Some of the raw materials used in our production processes are natural resources. For further details, see "*Risk Factors – Internal Risk Factors – 13. Some of the raw materials used in our production processes are natural resources and therefore we are subject to the seasonality and risk of depletion of such natural resources.*" on page 38.

In addition to the primary raw materials set out above we also use various chemicals in our manufacturing operations. These chemicals are locally sourced on the basis of purchase orders as required. Further, we also

require consumables such as firewood, hydrogen and nitrogen along with packing materials such as GI drums, fiber drums, HDPE drums, polythene bags, pallets, wrapping materials, bottles, etc.

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 under contracts of shorter period or the open market.

For further details see, “*Risk Factors – Internal Risk Factors – 6. We have not entered into any long-term contracts with our suppliers from whom we procure raw materials consumed by us for our manufacturing process and failure by our suppliers to meet their obligations could adversely affect our business, results of operations, financial condition and cash flows*” on page 34.

The prices of our raw materials are based on, or linked to, the international prices of such raw material and the variations are typically passed on to the customer. The prices of our key raw materials globally have been volatile and increases in the prices of these materials have an impact on our cost of production. The table below sets out our purchase of raw materials for the periods indicated:

Particulars	For the six month period ended September 30, 2024			For the year ended March 31, 2024			For the year ended March 31, 2023			For the year ended March 31, 2022		
	Amount (₹ in million)	% of total cost of materials consumed	% of total expenses	Amount (₹ in million)	% of total cost of materials consumed	% of total expenses	Amount (₹ in million)	% of total cost of materials consumed	% of total expenses	Amount (₹ in million)	% of total cost of materials consumed	% of total expenses
Domestic purchase	1,173.02	70.68	64.70	2,280.97	66.23	59.00	2,202.06	69.57	59.68	2,295.31	84.46	84.20
Import purchase	756.64	45.59	41.74	1,446.56	42.00	37.41	1,059.05	33.46	28.70	469.11	17.26	17.21
Total	1,929.66	116.27	106.44	3,727.53	108.23	96.41	3,261.11	103.03	88.38	2,764.42	101.72	101.41

For further details, see “*Risk Factors – Internal Risk Factors – 10. Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business, cash flows and results of operations*” and “*Risk Factors – Internal Risk Factors – 9. Increase in costs of raw materials, may impact our revenue from operations and profitability and may result in a materially adverse effect on our business, results of operations and financial condition.*” on pages 36 and 35, respectively.

Power and Fuel

We procure electricity for use at our Manufacturing Facilities from the local grid and solar panels. We procure water for use at our Manufacturing Facilities from the natural ground water. Our power expenses are set out below:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total expenses	Amount (₹ in million)	% of total expenses	Amount (₹ in million)	% of total expenses	Amount (₹ in million)	% of total expenses
Power and Fuel Expenses	14.73	0.81	37.34	0.97	30.65	0.83	31.27	1.15

Quality Control

We believe that maintaining a high standard of quality in our R&D and manufacturing operations is critical to our growth and success. Consequently, we have implemented quality systems across our Manufacturing Facilities that cover the full product lifecycle. Our quality assurance and quality control teams are involved in every stage of the production process commencing from receipt of raw materials to final product clearance. The quality assurance team checks the raw materials against various specific pre-determined parameters to ensure that the raw materials received meet our quality benchmarks. Raw materials that meet our quality standards are rejected and returned to the supplier. Further, the quality control team checks the product at two separate stages of the production process.

As on September 30, 2024, our quality assurance and quality control department comprised of 13 employees. Additionally, our employees undergo periodic training to stay updated on the latest quality standards.

The quality of the product is assessed against the standard specification, in case of the non-conformance with the standards, the product is subject to further processes, as the case may be. All our final products undergo quality assurance and quality control checks.

We have obtained various certifications including ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and 22000 FSSC 22000 (version 6) consisting of ISO 22000:2018, ISO/Ts 22002-1:2009 and Additional FSSC 22000 requirements (version 6) for Unit II of our Budaun Facility. We have also obtained a certification of Good Manufacturing Practice for our Budaun Facility and FSSAI registrations for our Manufacturing Facilities, as well as relevant Kosher and Halal certifications for certain specified products. Further, our customers also have exacting quality standards and adhering to such standards is a pre-requisite for us to be able to obtain repeat orders from such customers, owing to which, two customers have undertaken two audits and have approved our Manufacturing Facilities and processes in the six month period ended September 30, 2024 and the past three Fiscals.

Sales and marketing

Our Company employs a multifaceted approach in acquiring new customers. We participate in industry-specific conferences and events, both domestically as well as globally, to enhance our Company's visibility and facilitate engagement with potential customers. Our sales team follows up with interested parties and provides product samples. Our comprehensive approach to sales and marketing is underpinned by our commitment to delivering high-quality products.

We operate in the business to business segment and are focused on the sale of natural and natural-like, and synthetic essential oils. Our customers are companies and entities primarily in the flavours and fragrance industry, FMCG, pharmaceuticals, nutraceuticals and specialty chemicals.

We cater to both Indian and international customers and consequently our primary sales models are as follows:

- *Domestic sale*
 - Direct: This is sale within India directly to the customer. Such sales may be on an ex-factory (where the customer picks up the delivery) or delivery to door-step model.
- *Export sale*
 - Direct: In this model, we export our product directly to the customer based on purchase orders or in certain instances, on the basis of supply contracts. Direct exports follow various models including cost, insurance and freight, cost and freight, free on board (origin or shipping), free on board (destination) etc. Further, most of the exports are through ships. However, certain products are air-shipped to multiple geographies.
 - Through wholly owned Subsidiary or third party agencies: We engage in the sale of products to a trading agency in Brazil for the sale of certain products. Further, we also use our wholly owned Subsidiary for the sale of certain products. This model is used only for one of our largest customers.

Exports

As on the date of this Draft Red Herring Prospectus, we have presence in the American, Asian and Australian market.

Some of our notable global customers include dōTERRA, Ventos So Brasil Eireli and Anhui Hautian Spices Co. Ltd.

We believe that our enduring customer relationships serve as a clear testament to our commitment to quality, as well as our advanced design and manufacturing capabilities. We believe that as a result of our long-standing relationships with our customers, we are well equipped to retain our presence in the market and build upon these relationships to increase our product base and reach out to new customers. Our long-term relationships and

ongoing active engagements with customers also allow us to plan our capital expenditure, enhance our ability to benefit from increasing economies of scale, thereby ensuring a competitive cost structure to achieve sustainable growth and profitability.

A map indicating the countries where we have made sales as on the date of this Draft Red Herring Prospectus:



Freight and transportation

With regards to raw materials that we source domestically, we rely directly on the suppliers for delivery directly to our Manufacturing Facilities, however, we rely on third party transportation and logistics providers for procurement of our imported raw materials from the port to our Manufacturing Facilities as these raw materials are delivered on a cost, insurance freight terms and/or cost and freight terms. We also rely on third party transportation and logistics providers for supply of our products to our customers. We do not have long-term contractual arrangements with such third-party transportation and logistics providers, but the rates are fixed with transporters. Further, in certain occasional instances we also use airfreight to deliver our products.

For further information, see “*Risk Factors – Internal Risk Factors – 21. We are dependent on third party transportation for the delivery of raw materials and finished products and any disruption in their operations or a decrease in the quality of their services could adversely affect our business and results of operations.*” on page 43.

Insurance

Our operations are subject to hazards inherent in storing and transporting our products such as work accidents, fire, explosions, earthquakes, flood and other force majeure events including hazards that may cause loss of life and severe damage to and the destruction of property and inventory. Our principal types of insurance coverage include comprehensive general liability coverage, consequential loss policy for all normal risks associated with our business, including fire, burglary, money, accidents and other natural disasters. We also obtain insurance for transit of incoming and outgoing goods, including marine policy. We also have director and officer liability insurance policies, group mediclaim policy, workmen compensation policy and group personal accident policy for our employees. These insurance policies are generally valid for a term of one year, renewable annually.

We believe that the insurance coverage currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India.

Also see, “*Risk Factors – Internal Risk Factors – 38. Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which may impact on our results of operations, financial condition and cash flows.*” on page 53.

Awards and Accreditations

For further details, see “*History and Certain Corporate Matters – Key awards, accreditations and recognitions*” on page 239.

Information technology

We believe that a robust IT infrastructure, including, disaster recovery, business continuation and backup policy is essential for ensuring strong operational efficiencies and enhancing productivity and we continue to focus on building and improving our IT capabilities. As a result, over the years, we have implemented innovative technology initiatives at the front-end and back-end of our operations, including our procurement, manufacturing, distribution and supply chain operations.

Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and receivables from customers. We rely on company-wide SAP systems. These systems are used to manage and co-ordinate all resources, information and functions of the business on a real-time basis. The SAP systems will help in integration of different functional areas to facilitate proper communication, material management, manufacturing planning, productivity, quality and efficiency in decision making. It further helps in tracking customer demands and assisting in maintaining optimum inventory levels.

Environment, Health and Safety

We are committed to following applicable environmental and occupational health and safety laws as well as industry best practices. In accordance with the terms of our arrangements with our key customers, we are also committed to maintaining acceptable safety and quality systems, specifications and standards set by those customers, including the requirement for on-time delivery and for on-site and off-site inspections of our products and facilities by our customers.

We aim to provide and maintain a healthy, safe working environment to minimize the risks to employees, contractors, visitors, and others who may be affected by our activities, while fulfilling expectations of our customers of high quality and safe products. We continuously monitor and identify health and safety risks in the workplace to control and mitigate such risks to achieve continual improvement in our health and safety performance. We develop and monitor specific systems, practices, and procedures to prevent accidents and, if they occur, to manage them responsibly and to carefully investigate the causes with the aim of introducing measures to prevent them from recurring.

CSR initiatives

We have constituted a CSR committee of our Board of Directors and have adopted and implemented a CSR policy pursuant to which we carry out our CSR activities with certain focus areas, *inter alia*, education, health and environment.

Our CSR expenditure aggregated to ₹ 5.57 million, ₹ 8.70 million, ₹ 6.45 million and ₹ 2.68 million, for the six month period ended September 30, 2024 and for the Fiscals 2024, 2023, and 2022, respectively.

Competition

We operate in highly competitive business in India. We remain competitive by seeking to better understand the markets in which we operate and identifying emerging opportunities. We believe that our consistent tracking of markets, developing new products and our consistent interaction with our customers is a key to our competitiveness and these factors *inter alia* enable us to anticipate the needs of our customers, we believe that we have no peers that operate in the full spectrum of our customer base, geographical market, product range and price points. Further, the industry in which we operate is not easy to break-into due to entry barriers such as requirement of significant capital expenditure and technical know-how. We also believe that our ability to offer customisable products to our customers differentiate us from our competition and also effectively function as an entry barrier for suppliers that do not have the benefit of a business model of the kind that we have built and developed over the years. In addition, we believe our focus on quality and stringent quality control norms and procedures are key factors for our success.

We face competition from both the organized and unorganised sectors of the industry and there are also several producers of varying size manufacturing certain of the products that we sell, in various geographical markets, we

believe that we have no peers that operate in the full spectrum of our customer base, geographical market, product range and price points.

The formulated flavours and fragrance/ F&F blends segment is dominated by global suppliers as this segment requires considerable investment in Research and product development. (Source: F&S Report) Intellectual property safeguarding, loyal customer base, strong branding are some of the major requirements apart from R&D in this segment, which act as major entry barriers for new players. (Source: F&S Report)

General competitive factors in the market, which may affect the level of competition over the short and medium term, include vulnerability to overall macroeconomic factors, time to market, availability of after-sale and logistics support, quality, price, delivery, general customer experience and relationships between producers and their customers.

Employees

Our employees are one of our most important assets and are critical to us maintaining our competitive position in our key geographical markets and in our industry. As of September 30, 2024, we had 232 permanent employees and 15 contract workers. The following table sets forth information on the number of our staff in various departments of our business, as of September 30, 2024:

Department	Number of employees
Top management	5
Manufacturing	131
R&D	15
Technical support	2
Quality assurance and quality control	13
Finance and legal	23
Sales and marketing	3
Human resources and administration	3
Exim	6
Data analyst	4
Project	1
Others	41

Further in addition to compensation that includes salary, allowances, we provide our employees other benefits which include insurance coverage and paid leave. Our human resource policies focus on recruiting talented and qualified personnel, whom we believe integrate well with our current workforce. We endeavour to develop and train our employees in order to facilitate the growth of our operations. We conduct regular training workshops and performance reviews. We have medical and accident insurance for our employees and have also introduced wellness and physical health programs.

Intellectual Property

As of September 30, 2024, we own two trademarks in India. Our registered trademarks are valid for a period of ten years from the date of application and renewable for a period of ten years, on expiry.

Also, see “*Risk Factors – Internal Risk Factors – 27. We may fail to protect our intellectual property and are susceptible to litigation for infringement of intellectual property rights in relation to such designs. This could materially and adversely affect our reputation, results of operations and financial condition.*” on page 47.

Properties

The details of our owned and leased properties are set forth in the table below:

Sr. No.	Address	Owned/ leased/ licenses	Name of the purchaser/ lessee/ licensee	Name of seller/ lessor/ licensor	Relationship between the seller/ licensor/ lessor and the Company, Promoter or Director, if any
<i>Company</i>					

1.	A/410, Kailas Complex, Vikhroli Powai Link Road, Park Site, Vikhroli (W), Mumbai – 400079, Maharashtra, India	Leased	Gem Aromatics Limited	Vipul Parekh	Promoter
2.	A/503, Kailas Industrial Complex, Vikhroli Powai Link Road, Park Site, Vikhroli (W), Mumbai – 400079 Maharashtra, India	Owned	Gem Aromatics Limited	Quantum Equipment Pvt Ltd	No relationship
3.	Survey No 16/4/2, Plot No 2 Silvassa Khanwel Road Silvassa, Dadra and Nagar Haveli – 396230, India	Owned	Gem Aromatics Limited	M/s. UNV Developers	No relationship
4.	Khasra 8,9,10 & 126 Ujhani Budaun Road, Vill Gathona, Ujhani Budaun – 243639, Uttar Pradesh, India	Owned	Gem Aromatics Limited	Kanha Vanaspati Limited	No relationship
5.	A/411, Kailas Complex, Vikhroli Powai Link Road, Park Site, Vikhroli (W), Mumbai – 400079, Maharashtra, India	Leased	Gem Aromatics Limited	Kaksha Vipul Parekh	Promoter
6.	Unit No B /101, Silver Springs, Taloja MIDC, Navde, Panvel – 410208, Maharashtra, India	Leased	Gem Aromatics Limited	Snehal Pradip Yadav	No relationship
7.	Unit No B /103, Silver Springs, Taloja MIDC, Navde, Panvel – 410208, Maharashtra, India	Leased	Gem Aromatics Limited	Mangal Tinaji Shinde	No relationship
8.	Unit No B /102, Silver Springs, Taloja MIDC, Navde, Panvel – 410208, Maharashtra, India	Leased	Gem Aromatics Limited	Pradip Arjun Yadav	No relationship
Subsidiaries					
9.	D-3/97, Dahej Industrial Estate, Dahej – III, Dahej, District Bharuch, Gujarat	Leased	Krystal Ingredients Private Limited	Gujarat Industrial Development Corporation	No relationship
10.	Harbor Freight Transport Corporation, P.O. Box 783118 Philadelphia, PA 19178-3118 973-589-6700	Leased	Gem Aromatics LLC	Harbor Freight Transport Corporation	No relationship
11.	1805, Lower Road, Linden, NJ - 07036	Leased	Gem Aromatics LLC	Del Corona & Scardigli USA Inc.	No relationship

For further information, see “*Risk Factors – Internal Risk Factors – 32. Certain of our immovable properties, including our Registered Office, and our Manufacturing Facilities, and warehouses, are licensed. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.*” on page 50.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain key statutes, regulations, notifications, memorandums, circulars and policies which are applicable to the business and operations of our Company.

The information detailed in this chapter, is based on the current provisions of applicable statutes, rules, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications by subsequent legislative, regulatory, administrative or judicial decisions. The information in this section has been obtained from various publications, available in the public domain. The description of applicable regulations as set out below is not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Key Legislations Applicable to our Company

The Food Safety and Standards Act, 2006 (the FSSA) and regulations thereunder

The FSSA was enacted with a view to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India (“FSSAI”) for laying out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto. The standards prescribed by the FSSAI include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels. The FSSA also sets out requirements for licensing and registering food businesses, general principles of food safety, and responsibilities of the food business operator (“FBO”) and liability of manufacturers and sellers, and adjudication by ‘Food Safety Appellate Tribunal’. The FSSAI is required to provide scientific advice and technical support to the GoI and the state governments in framing the policy and rules relating to food safety and nutrition.

In exercise of powers under the FSSA, the FSSAI has also framed the Food Safety and Standards Rules, 2011 (the “FSSR”). The FSSR sets out the enforcement structure of ‘commissioner of food safety’, ‘the food safety officer’ and ‘the food analyst’ and procedures of taking extracts of books of accounts and other relevant documents, seizure of food articles, sampling of food article, and analysis. The FSSA also lays down penalties for various offences (including recall procedures).

The packaging done by a FBO is required to comply with the Food Safety and Standards (Packaging) Regulations, 2018, while labelling and display of pre-packaged food items must comply with the Food Safety and Standards (Labelling and Display) Regulations, 2020. According to the Food Safety and Standards (Licensing and Registration of Food Business) Amendment Regulations, 2018, an ecommerce FBO (which includes sellers and brand owner who display or offer their food products, through ecommerce, and providers of transportation services for the food products and/or providing last mile delivery transportation to the end consumers), is required to obtain central license from the concerned central licensing authority.

Food Safety and Standards (Organic Foods) Regulations, 2017

Food Safety and Standards (Organic Foods) Regulations 2017 were notified in November 2017. Section 22 of the Food Safety and Standards Act, 2006 specifies that organic food industry in the country will also be regulated by FSSAI. This is done to make sure that there is a single food law in the country. These regulations apply to every person either individual or body corporate who is involved in manufacturing, packing, re-packing, imports, sale, distribution, and marketing of organic food are covered under these regulations and are required to comply to it.

Drugs and Cosmetics Act, 1940 (“DCA”) and the Drugs Rules, 1945 and Cosmetics Rules, 2020 (collectively, “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 of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

Legal Metrology Act, 2009 (“Metrology Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (“Metrology Rules”)

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matter's incidental thereto. The Legal Metrology Act, inter alia, provides for: (a) regulation of weight or measure used in transaction or for protection; (b) approval of model of weight or measure; (c) verification of prescribed weight or measure by Government approved Test Centre; (d) exempting regulation of weight or measure or other goods meant for export; (e) nomination of a person by the companies who will be responsible for complying with the provisions of the enactment; and (f) empowering the Central Government to make rules for enforcing the provisions of the enactment. Any non-compliance or violation of the provisions of the Legal Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Metrology Rules prescribe specific rules for pre-packaging and the sale of packaged commodities. Such rules include *inter alia* the nature of declarations that are required to be made such as the name and address of the manufacturer, the dimensions and weight of the commodity, increased visibility of the retail price.

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”)

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated 01st June, 2020 revising definition and criterion and the same came into effect from 01st July, 2020. The notification revised the definitions as “Micro enterprise”, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; “Small enterprise”, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; “Medium enterprise”, where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

Bureau of Indian Standards Act, 2016 (“BIS Act”)

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) to take all necessary steps for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems, and services as may be necessary, to protect the interests of consumers and various stakeholders. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, plant health, safety of the environment, or prevention of unfair trade practices, or national security. Further, the BIS Act also provides for, among other things, repairing or replacement or reprocessing. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

Consumer Protection Act, 2019 (“Consumer Protection Act”) and the rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests 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, service providers and traders. The definition of “consumer” has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by Consumer Protection Act is inclusion of the e-commerce industry under Consumer Protection Act with “e-commerce” defined to refer to the buying and selling of goods or services over digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums, and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs. In cases of manufacturing for sale

or storing, selling, or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

The Manufacturing, Storage & Import of Hazardous Chemicals Rules, 1989, as amended in 2000

The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 stipulate that an occupier in control of an industrial activity has to provide evidence for having identified the major accident hazards and taking adequate steps to prevent such major accidents and to limit their consequences to persons and the environment. Further, the occupier has an obligation to show that he has provided necessary information, training and equipment including antidotes to the persons working on the site to ensure their safety. Further, the occupier is under an obligation to notify the concerned authority on the occurrence of a major accident on the site or pipeline within 48 hours.

Narcotic Drugs and Psychotropic Substances Act, 1985

The Narcotic Drugs and Psychotropic Substances Act, 1985 (“NDPS”) makes stringent provisions for the control and regulation of operations relating to narcotic drugs and psychotropic substances, to provide for the forfeiture of property derived from, or used in, illicit traffic of narcotic drugs and psychotropic substances and to implement the provisions of the International Convention on Narcotic Drugs and Psychotropic Substances. The NDPS authorises the Central Government to take all such measures as it deems necessary or expedient for the purpose of preventing and combating abuse of narcotic drugs and psychotropic substances. The NDPS prohibits the production, manufacture, possession, sale, purchase, transportation, warehousing, usage, consumption, import or export of any narcotic drug or psychotropic substance, except for medical or scientific purposes as provided.

The Narcotic Drugs and Psychotropic Substances (Amendment) Act, 2014 broaden the object of the NDPS from containing illicit use to also promoting the medical and scientific use of narcotic drugs and psychotropic substances. Further, they allow for management of drug dependence, thereby legitimising opioid substitution, maintenance and other harm reduction services. The Narcotic Drugs and Psychotropic Substances (Amendment) Act, 2014 allows for instituting evidence based and human rights compliant standards for drug treatment facilities, whether public or private, significantly impacting the health and rights of people who use drugs.

Laws relating to Country of Origin

Currently, Legal Metrology (Packaged Commodities) Rules, 2011 (“**Packaged Commodity Rules**”) require a declaration of 'country of origin' or 'country of manufacture' or 'country of assembly' on the imported products. This is aimed at curbing false and misleading claims by the brands to deceive the customers, as also to give complete information of the product to a potential buyer. The Packaged Commodity Rules were wide, and amendment made applicable to the product listing information on e-commerce platforms and inter alia, mandates the specification of Country of Origin on the product listing page. Demands for specifying the Country of Origin of products sold online has gained ground in view of the Prime Minister's vision of "Make in India" campaign. The Government had asked e-commerce entities to adhere to the Packaged Commodity Rules and display Country of Origin of products listed on their platform/s by August 1, 2020. In the recently draft of proposed amendment to the Consumer Protection (E-Commerce) Rules, 2020, inter alia, requires and e-commerce entity that offers imported goods or services for sale, to identify goods based on their country of origin, provide a filter mechanism on their e-commerce website and display notification regarding the origin of goods at the pre-purchase stage, at the time of goods being viewed for purchase, suggestions of alternatives to ensure a fair opportunity for domestic goods and further to provide ranking for goods and ensure that the ranking parameters do not discriminate against domestic goods and seller

Shops and Establishment Legislations

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our offices are required to be registered under the shops and establishments legislations of the states where they are located.

Environmental Legislations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries, and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are required to be periodically renewed. These consent orders are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms.

The Environment (Protection) Act, 1986 (the “Environment Act”) and Environment Protection Rules, 1986 (the “the Environment Protection Rules)

The Environment Act has been enacted with the objective of protection and improvement of the environment, to control, reduce and abate pollution and empowers the government to take measures in this regard. Further, the Environment Protection Rules specifies, amongst other things, the standards for emission or discharge of environmental pollutants, and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the Environment Protection Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. As per the Environment Protection Rules, every person who carries on an industry, operation or process requiring consent under Water Act or Air Act or both or authorization under the Hazardous Wastes Rules is required to submit to the concerned state pollution control board an environmental audit report for that financial year in the prescribed form.

The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using of any new or altered outlet for the discharge of sewage or causing new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act provides for the prevention, control, and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of 4 months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

The Hazardous Waste Rules, define the term ‘hazardous waste’ and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an ‘occupier’. In terms of the Hazardous Waste Rules read with the Environment Protection Act ensures that, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license / authorization from the respective state pollution control board for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer, or the like of the hazardous waste.

Plastic Waste Management Rules, 2016

Under the Plastic Waste Management Rules, 2016, all institutional generators of plastic waste, are required to *inter alia*, segregate and store the waste generated by them in accordance with the Solid Waste Management Rules, 2016, and handover segregated wastes to authorised waste processing or disposal facilities or deposition centers,

either on its own or through the authorised waste collection agency. The waste generator shall also take steps to minimize generation of plastic waste. The Plastic Waste Management Rules, 2016 also requires the producers, importers and brand owners to collect back the plastic waste generated due to their products.

Factories Act, 1948 (“Factories Act”)

The term “factory” as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more and in workers and in which manufacturing process is carried on with the aid of power, or any premises wherein at least 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is being carried on without the aid of power. State Governments have issued rules in respect of prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates “occupier” of a factor to ensure the health, safety, and welfare of all workers in the factory premises. Further, the “occupier” of the factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules thereunder, the ‘occupier’ and ‘manager’ of the factory as defined under the Factories Act, may be punished with imprisonment or with a fine or both and enhanced penalties for repeat offences and contravention of certain provisions relating to use of the hazardous materials.

Labour Law Legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employee’s State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, Contract Labour (Regulation and Abolition) Act, 1970, the Maternity Benefit Act, 1961, the Employee’s Compensation Act, 1923, the Trade Unions Act, 1926, Equal Remuneration Act, 1976, the Industrial Dispute Act, 1947, Apprentices Act, 1961, Industrial Employment (Standing Orders) Act, 1946, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Equal Remuneration Act, 1976, the Child and Adolescent Labour (Prohibition and Regulation) Act, 1986, and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

- (a) Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes 4 existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.
- (b) Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.
- (c) Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee’s 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. It governs the constitution and functioning of social security organisations such as the Employee’s Provident Fund and the Employee’s State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.
- (d) The Occupational Safety, Health and Working Conditions Code, 2020, consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Contract Labour (Regulation and Abolition) Act, 1970 and received the presidential assent on September 28, 2020.

Other than few provisions of the Code on Social Security which have been notified on May 3, 2023, the provisions of these codes shall become effective on the day that the Government shall notify for this purpose.

Intellectual Property Laws

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trademarks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is party to several international intellectual property related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961, and as a member of the World Trade Organisation, India also is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights.

The Trade Marks Act, 1999 (“Trade Marks Act”)

The Trade Marks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trade Marks Act also governs the statutory protection of trademarks and also prohibits any registration of deceptively similar trademarks or chemical compounds, among others. Indian law permits the registration of trademarks for both goods and services. It also provides for infringement, falsifying and falsely applying for trademarks.

Under the provisions of the Trade Marks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trade Marks (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

The Patents Act, 1970 (“Patents Act”)

The Patents Act governs the patent regime in India. Being a signatory to the TRIPS, India is required to recognize product patents as well as process patents. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

The Copyright Act, 1957 (“Copyright Act”)

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical, or artistic works, cinematograph films and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, copyright protection of a work lasts for a period of sixty years following the demise of the author.

Laws governing foreign investments

Foreign investment in India is governed by the provisions of The Foreign Exchange Management Act, 1999 (“FEMA”), the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“FEMA Rules”) along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which

regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)

The FTA aims to facilitate the increase in foreign trade by regulating imports and exports to and from India. It authorizes the government to announce and subsequently formulate the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read along with the Indian Foreign Trade Policy, 2023 provides that no person or company can make exports or imports without having obtained an importer exporter code (“IEC”) number unless such person or company is specifically exempted. An application for an importer exporter code number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce. An IEC number allotted to an applicant is valid for all its branches, divisions, units, and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

The consolidated Foreign Direct Investment Policy of 2020 (“Consolidated FDI Policy”)

The Department for Promotion of Industry and Internal Trade (“**DPIT**”), Ministry of Commerce and Industry on October 28, 2020 issued Consolidated FDI Policy. In terms of the FEMA Rules and the Consolidated FDI Policy, up to 100% foreign investment is currently permitted in a company engaged in manufacturing activities in India (including contract manufacturing in India).

Laws relating to Taxation

The Goods and Services Tax (“**GST**”) is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017, relevant state’s Goods and Services Act, 2017, Union Territory Goods and Services Act, 2017, Integrated Goods and Services Act, 2017, Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (“**Income Tax Act**”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

Other Applicable Laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, foreign exchange laws, contract laws, customs act, anti-trust laws and other applicable statutes enacted by the Centre or relevant State Governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was originally incorporated as 'Gem Aromatics Private Limited' as a private limited company under the Companies Act, 1956, pursuant to certificate of incorporation dated October 3, 1997, issued by the Registrar of Companies, Mumbai at Maharashtra ("RoC"). Upon the conversion of our Company into a public limited company pursuant to a Board Resolution dated July 13, 2023, and a Shareholders' resolution dated July 14, 2023, the name of our Company was changed to, 'Gem Aromatics Limited', and a fresh certificate of incorporation dated August 17, 2023, was issued by the RoC.

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the registered office of our Company since its incorporation:

Date of change	Details of the address of Registered office	Reason for change
July 12, 2007	The registered office of our Company was shifted from C/O Parekh Corporation, 46/47 Jarbai Wadia Road B/H, Mahatma Phule Technical High School, Mumbai, Maharashtra, India, 400 012 to A/410, Kailas Complex, Vikhroli Powai Link Road, Park Site, Vikhroli (W), Mumbai, Maharashtra, India 400 079	Operational efficiency

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

- To carry on in India and in any part of the world the business as manufacturers, buyers, sellers, dealers, merchants, distributors, importers, exporters, stockists, agents, brokers, factors, converters, processors, producers, refiners, formulators, or of distributing, exchanging, altering, improving, packing, transporting, mixing, using or otherwise handling or dealing in organic and inorganic chemicals, sale of all kinds of essential oils, aromatic chemicals and their derivatives, isolates, extracts from plants either as concentrate or any other form, synthetic perfumes, food and flavoring essences, methanol, benzene and its derivatives, ethylene propylene, propane, ethane, butenes, butadiene, isoprene, oxides, glycols and polyglycols of ethylene, propylene and butylene, chlorinated hydrocarbons, aliphatic and aromatic alcohols, aldehydes, ketones, aromatic acid, anhydrides, vinyl acetate, vinyl chloride acrylics, esters of ortho, meta and terphthalic acids, synthetic chemicals, acids, alkalies and compound ingredients, mixtures and derivatives.*
- To carry on the business as merchants, manufacturers, producer's dealers and agents and otherwise in provisions patent medicines, drugs, chemicals, toilet and perfumery articles and preparations, scents, attars, perfumes, articles of food and articles of consumption and to represent other manufactures, traders, merchants, or dealers in provisions perfumeries, patent medicines, machinery general merchandise and other articles in India or elsewhere.*
- To purchase or acquire patents, brevet-de-invention, formulae, and recipes, and to enter into agreements, royalty, contracts, Concession Deeds for acquiring or obtaining or securing use or benefit of such Patents, Formulae, or Recipes or any of them or benefit of any scent or other information as to any Patent, Formulae be or Recipe which may seem capable of being used for any of the purposes of the Company or which may seem capable of being used for any of the purposes of the Company or which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, or otherwise turn to account the property, patents, formulae, recipe or information so acquired.*
- To carry on the business of Lab involved in commercial testing business of Food product, Agri and Agri Product, Meat and Meat Product, Sea Food Testing, Honey, Poultry, Spices and condiments, Marine and Aqua Product, Cereals and Pulses Edible oils, Nuts and Oil Seeds, Alcoholic and Non - alcoholic beverages, Sugars and Confectionery, Tea & Coffee, Dairy Product, Infant Supplements, Nutraceuticals, Animal Feed, Raw Food, Frozen Food, Canned Food, Food Preservatives, Starch and Starch Product, Dairy Product Bakery and Confectionery Organic agricultural product. Drinking & Packaged Drinking water, Wastewater and effluent Water, Soil and Sludge. All the above commercial business testing activities include quantification like Pesticides residue, Antibiotic / Veterinary drugs residue, Heavy Metals, Toxins, Banned*

Dyes, Synthetic Colour, Natural Colours, Vitamins and Minerals, Proximate analysis, Wet chemical Analysis, Nutritional Analysis, Amino Acid profiles, PAHs, PCBs & POPs, PFOA/ PFOS, Nitrosamines and fatty acid profile, Sensory Evaluation. Under Micro Biological discipline qualitative and quantitative analysis of bacteria, fungi and viruses. The detection and determination of genetically modified organism in various agricultural commodities Environmental discipline, involved in monitoring of Indoor/Ambient air, stack emission, personal hygiene, Adequacy Testing, Stack Emission Monitoring.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association during the last 10 years preceding the date of this Draft Red Herring Prospectus.

Sr. No.	Date of Shareholders Resolution	Particulars
1.	March 23, 2015	The authorised share capital of our Company was increased from ₹ 10,000,000 divided into 1,000,000 equity shares of ₹ 10 each to ₹ 15,000,000 divided into 1,500,000 equity shares of ₹ 10 each
2.	February 23, 2019	The authorised share capital of our Company was increase from ₹ 15,000,000 divided into 1,500,000 equity shares of ₹ 10 each to ₹ 18,500,000 divided into 1,850,000 equity shares of ₹ 10 each
3.	July 14, 2023	Our Company was converted from a private limited company and consequently the name of our Company was changed from Gem Aromatics Private Limited to Gem Aromatics Limited. A fresh certificate of incorporation was granted by the RoC on August 17, 2023, pursuant to change in name of our Company.
4.	July 14, 2023	The authorised share capital of our Company was increased from ₹ 18,500,000 divided into 1,850,000 equity shares of ₹ 10 each to ₹ 150,000,000 divided into 75,000,000 Equity Shares of face value ₹ 2 each. Clause V of our Memorandum of Association was amended to reflect the sub-division in the authorised share capital of our Company from 15,000,000 equity shares of face value of ₹ 10 each to ₹ 150,000,000 to 75,000,000 Equity Shares of face value of ₹ 2 each.
5.	November 8, 2023	The objects clause of the Memorandum of Association of our Company was amended by inserting new clause 4. which is as follows: “...4. To carry on the business of Lab involved in commercial testing business of Food product, Agri and Agri Product, Meat and Meat Product, Sea Food Testing, Honey, Poultry, Spices and condiments, Marine and Aqua Product, Cereals and Pulses Edible oils, Nuts and Oil Seeds, Alcoholic and Non -alcoholic beverages, Sugars and Confectionery, Tea & Coffee, Dairy Product, Infant Supplements, Nutraceuticals, Animal Feed, Raw Food, Frozen Food, Canned Food, Food Preservatives, Starch and Starch Product, Dairy Product Bakery and Confectionery Organic agricultural product. Drinking & Packaged Drinking water, Wastewater and effluent Water, Soil and Sludge. All the above commercial business testing activities include quantification like Pesticides residue, Antibiotic / Veterinary drugs residue, Heavy Metals, Toxins, Banned Dyes, Synthetic Colour, Natural Colours, Vitamins and Minerals, Proximate analysis, Wet chemical Analysis, Nutritional Analysis, Amino Acid profiles, PAHs, PCBs & POPs, PFOA/ PFOS, Nitrosamines and fatty acid profile, Sensory Evaluation. Under Micro Biological discipline qualitative and quantitative analysis of bacteria, fungi and viruses. The detection and determination of genetically modified organism in various agricultural commodities Environmental discipline, involved in monitoring of Indoor/Ambient air, stack emission, personal hygiene, Adequacy Testing, Stack Emission Monitoring.” Clause V of our Memorandum of Association was altered pursuant to restatement of our authorised share capital and the Equity Shares of face value of ₹ 2 each of our Company were reclassified into Equity Shares of face value of ₹ 2 each and Preference Shares of ₹ 10 each. The authorised share capital of our Company was restated from ₹ 150,000,000 divided into 75,000,000 Equity Shares of face value of ₹ 2 each to ₹ 150,000,000 divided into 70,000,000 Equity Shares of ₹ 2 each and 1,000,000 Preference Shares of ₹ 10 each.
6.	December 16, 2024	Clause III (B) of our Memorandum of Association was amended by inserting new clause 70, which is as follows: “...70. To engage third-party laboratories for the research, development, manufacturing, and marketing of new products and molecules, and to sign, complete and enter into all contracts, deeds, documents and/ or any other instruments in writing with such third-party laboratories as thought fit and conducive for such purposes.”

Sr. No.	Date of Shareholders Resolution	Particulars

Major events and milestones

The table below sets forth the key events in the history of our Company:

Fiscal	Particulars
1997	Inaugurated the Silvassa Facility.
1999	Commencement of operations in the Silvassa Facility.
2008	Executed the Company's first export order
2009	Introduced a new vertical – Clove Oil
2016	Commenced production at Budaun Facility.
2018	Achieved ₹ 1,648.30 million in revenue and achieved a growth of over 100% in terms of year-on-year revenue
2019	Received a strategic investment by dōTERRA Enterprises, Sàrl.
2020	Our Material Subsidiary made its first sale of \$ 202,608.
2021	Received a 2-star export house status in accordance with the provisions of Foreign Trade Policy, 2015-2020 valid for a period of 5 (five) years effective from August 3, 2021 to August 3, 2026, from Directorate General of Foreign Trade, Ministry of Commerce and Industry.
2023	Achieved ₹ 4,247.93 million in revenue from operations on a standalone and consolidated basis.
2024	Received a 3-star export house status in accordance with the provisions of Foreign Trade Policy, 2023 valid for a period of 5 (five) years effective from December 23, 2023 to March 31, 2028, from Directorate General of Foreign Trade, Ministry of Commerce and Industry.

Key awards, accreditations and recognition

Set forth below are some of the key awards, accreditations and recognition received by our Company:

Fiscal	Particulars
2014	Certificate of recognition for our valuable association as a "Business Partners" by Colgate-Palmolive (India) Limited
2020	Federation of Indian Export Organisation in the 1 st set of export excellency awards (2019-2020) awarded our Company "One star Export Category-MSME"
2021	Federation of Indian Export Organisation in the 2 nd set of export excellency awards (2020-2021) awarded our Company "Two star Export Category-MSME"
2022	Participation award for contributing to International Congress and Expo by Essential Oil Association of India.
2024	Federation of Indian Export Organisations (Western Region) awarded our Company as an "Associate Bronze Partner" of the Western Region 8 th and 9 th set of export excellence awards.

Other Details Regarding our Company

Significant financial or strategic partnerships

Except for the Supply Agreement with dōTERRA Global Limited (*formerly known as dōTERRA GH Ireland Limited*), as disclosed below under "**Summary of key material agreements**" on page 241, our Company does not have any significant financial or strategic partners as on the date of this Draft Red Herring Prospectus. For the risks associated with the Supply Agreement, see "**Risk Factors – Internal Risk factors – 2. We derive a significant portion of our revenue from our top customer dōTERRA Global Limited (formerly known as dōTERRA GH Ireland Limited) ("dōTERRA") with whom we have entered into a supply agreement, the term of which is ending on December 31, 2028. If dōTERRA chooses not to source their requirements from us, there may be a material adverse effect on our business, financial condition, cash flows and results of operations.**" on page 30.

Time/cost overrun in setting up projects

We have not experienced any time or cost overrun in setting up of projects by our Company as on the date of this Draft Red Herring Prospectus.

Capacity / facility creation, location of plants

For details regarding capacity/ facility creation, location of plants of our Company and our Subsidiaries, see “*Our Business – Manufacturing facilities*” on page 221.

Launch of key products or services, entry into new geographies or exit from existing markets

For details regarding launch of key products launched by us and entry into new geographies or exit from existing markets, as applicable, see “*Our Business*” beginning on page 208 and “*- Major events and milestones*” on page 239.

Defaults or re-scheduling/restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, there have been no defaults or rescheduling/restructuring of our outstanding borrowings availed by our Company from financial institutions or banks.

Details regarding material acquisition or divestments of business/undertakings, mergers, amalgamations and revaluation of assets in the last 10 years

Our Company has not made any material acquisition or divestment of any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets in the last 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Shareholders’ agreements and other agreements

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholders’ agreement among our shareholders *vis-à-vis* our Company, except as disclosed below:

Share Shareholders’ Agreement dated April 11, 2019 (“SHA”) and Share Purchase Agreement dated April 11, 2019 (“SPA”), by and between Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh (collectively, the “Promoters”), Vipul Parekh (HUF), and dōTERRA Enterprises, Sàrl (“dōTERRA”) and our Company (collectively the Promoters, dōTERRA and our Company, the “Parties”) read with first SHA amendment agreement dated December 12, 2023 executed among the Promoters, dōTERRA and our Company (“First SHA Amendment Agreement”) and the second SHA amendment agreement dated December 25, 2024 executed among the Promoters, dōTERRA, Parekh Family Trust and our Company (“SHA Amendment Agreement”)

The SPA along with SHA was entered into between the Parties for the purchase of issued shares representing 25% of its total outstanding and voting issued share capital of our Company by dōTERRA.

The SHA confers certain rights and obligations amongst the Parties. It imposes certain restrictions on transfer of shares of our Company during the lock-up period. The shares of our Company cannot be transferred to designated competitors of dōTERRA or the Promoters.

In terms of the SHA, certain rights can be exercised in the manner provided in the SHA, including right of first refusal to shareholders. dōTERRA shall have certain special rights, including but not limited to pre-emptive rights to purchase offered shares, restriction on distribution of dividend, replace or refinance the Company’s debt, voting rights, etc. Our Promoters cannot carry on or participate in any business that is similar to the Company’s business during the term of this agreement and for a period of twelve months after.

The First SHA Amendment Agreement was executed amongst the Promoters, Parekh Family Trust, dōTERRA and our Company which superseded certain provisions of the SHA.

Further, the SHA Amendment Agreement will automatically terminate the SHA and the First SHA Amendment Agreement on the filing of the draft red herring prospectus of the Company with the SEBI. The SHA Amendment Agreement will terminate upon the earlier of the following dates: (a) sixteen months from the date of termination of the SHA or (b) expiry of twelve months from the date of receipt of the final SEBI observation on the draft red herring prospectus filed with SEBI or (c) in the event that the Board of the Company, or committee constituted for the purposes of the IPO thereof decide not to undertake the IPO (including withdrawal of any DRHP filed), then on the date of the meeting in which the same is decided; or (d) such other date as may be mutually agreed in writing by the Parties. In case of termination of the SHA Amendment Agreement, the SHA shall automatically stand reinstated. Further, the First SHA Amendment Agreement and the SHA Amendment Agreement shall stand

rescinded and revoked. Further, upon listing of the Equity Shares pursuant to the IPO, the SHA Amendment Agreement shall automatically stand terminated, along with the SHA that shall continue to stand terminated on such date, without any party being required to take any further action or furnish any notice under the SHA Amendment Agreement.

Inter-se Shareholder Agreement dated December 25, 2024 entered into between Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, Parekh Family Trust (collectively, the “Promoters”) and dōTERRA Enterprises, Sàrl (“dōTERRA”) (collectively with the Promoters, the “Parties”) (the “Inter-se Shareholder Agreement”)

The Parties have executed the Inter-se Shareholder Agreement to record restriction on share transfers by Promoters or dōTERRA to competitors during the restricted period. Our Company is not a party to the Inter-se Shareholder Agreement and the same shall terminate automatically upon the earlier of the following dates: (a) sixteen months from the date of termination of the SHA or (b) expiry of twelve months from the date of receipt of the final SEBI observation on the draft red herring prospectus filed with SEBI or (c) in the event that the Board of the Company, or committee constituted for the purposes of the IPO thereof decide not to undertake the IPO (including withdrawal of any DRHP filed), then on the date of the meeting in which the same is decided; or (d) such other date as may be mutually agreed in writing by the Parties.

Summary of key material agreements

Except as disclosed below, no other material agreements (except agreements entered in the ordinary course of business) have been entered into by our Company as on the date of this Draft Red Herring Prospectus:

Supply agreement dated April 11, 2019 (“Supply Agreement”) and addendum to the Supply Agreement dated November 4, 2023 (“Addendum to Supply Agreement”), by and between dōTERRA Global Limited (formerly known as dōTERRA GH Ireland Limited) (“Purchaser”) and our Company (“Supplier”).

The Supply Agreement and the Addendum to Supply Agreement was entered for purchasing pure and natural essential oils. In terms of the Addendum to Supply Agreement, the Purchaser is required to purchase a certain amount of essential oils from the Supplier during the calendar years 2024 and 2025 and for calendar years 2026, 2027, and 2028, the minimum purchase value or quantity shall be established through mutual agreement between the Purchaser and the Supplier. In terms of the Supply Agreement, the Supplier is required to maintain quality standards and logistics of the supply of materials. The Purchaser is obliged to purchase certain products from the Supplier only in India. However, if the supplier is unable to supply the required products, the Purchaser reserves the right to purchase such products from other suppliers in India. The Supplier is further restricted from selling the products to certain competitors or any person which markets or sells such products to such competitors.

The Supply Agreement cannot be terminated by the parties for a period of first three years except when there is a material breach by either party which cannot be remedied or when either party commits a material breach which can be remedied but fails to remedy the same, in that case the non-breaching party shall be able to terminate the agreement.

For the risks associated with the Supply Agreement, see ***“Risk Factors – Internal Risk factors – 2. We derive a significant portion of our revenue from our top customer dōTERRA Global Limited (formerly known as dōTERRA GH Ireland Limited) (“dōTERRA”) with whom we have entered into a supply agreement, the term of which is ending on December 31, 2028. If dōTERRA chooses not to source their requirements from us, there may be a material adverse effect on our business, financial condition, cash flows and results of operations.”*** on page 30.

Other Agreements

Except as disclosed above, our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners or financial partners, which is not in the ordinary course of business carried on by our Company, or which needs to be disclosed or non-disclosure of which may have bearing on any investment decision in the Offer.

We confirm that, except as disclosed above, there are no other inter-se agreements between our Company, Shareholders, Promoters, shareholders’ agreements or other agreements of a like nature, in relation to the securities of our Company, comprising material clauses / covenants that are required to be disclosed in this Draft

Red Herring Prospectus or containing clauses / covenants that are adverse / prejudicial to the interest of public shareholders

Agreements with Key Managerial Personnel or Senior Management or Directors or Promoters or members of the Promoter Group or any other employee

There are no agreements entered into by our Key Managerial Personnel, Senior Management, Promoters, Directors or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Guarantees given to third parties by the Promoter Selling Shareholders

As on the date of this Draft Red Herring Prospectus, our Promoter Selling Shareholders have not issued personal guarantees to any third parties.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has two Subsidiaries, namely, Krystal Ingredients Private Limited and Gem Aromatics LLC, the details of which are set out below:

Indian Subsidiary

Krystal Ingredients Private Limited

Corporate Information

Krystal Ingredients Private Limited was incorporated as private limited company on April 22, 2021, under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai. The registered office is situated at A/410, Kailas Complex, Powai Vikhroli Link Road, Parksite, Vikhroli (West), Mumbai – 400 079, Maharashtra, India. Its CIN is U24299MH2021PTC359408.

Nature of Business

Krystal Ingredients Private Limited is engaged in the business of manufacturing of essential oils, Specialty Chemical and aroma chemicals as authorized by its memorandum of association.

Capital Structure

The authorized share capital of Krystal Ingredients Private Limited is ₹ 20,000,000 divided into 2,000,000 shares of ₹ 10 each and its issued, subscribed and paid up equity share capital is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each.

Shareholding Pattern

The shareholding pattern of Krystal Ingredients Private Limited is set out below:

Sr. No.	Name of Shareholders	No. of equity shares	Percentage holding (%)
1.	Gem Aromatics Limited	10,000	100.00
Total		10,000*	100.00

**100 equity shares are held by Yash Vipul Parekh as a nominee of our Company*

Interest of our Company

Our Company has 100% shareholding in Krystal Ingredients Private Limited.

Amounts of accumulated profits or losses

There are no accumulated profits or losses of Krystal Ingredients Private Limited that have not been accounted for by our Company.

Brief financial information

The brief financial information of Krystal Ingredients Private Limited is as follows:

(in ₹ million)

Sr. No.	Particulars	As of September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Equity share capital	0.10	0.10	0.10	0.10
2.	Revenue from operations	9.68	1.11	Nil	Nil
3.	Profit/loss after tax	(14.42)	(19.58)	(8.05)	(5.80)
4.	Total borrowings	937.59	460.52	114.67	98.90
5.	Net worth	(48.52)	(34.10)	(14.52)	(5.70)

Foreign Subsidiary*

Gem Aromatics LLC

Corporate Information

Gem Aromatics LLC was incorporated on November 19, 2019, under the laws of the Delaware, United States of America. Its registration number is 0450440340 and its registered office is situated at 208 West State Street Trenton, New Jersey 08608-1002.

Nature of Business

Gem Aromatics LLC is involved in the business of providing services to our Company as a limited risk distributor for last mile delivery of essential oils and aromatics for Gem Aromatics Limited and fulfilling the orders of our Company customs in the US.

Capital Structure

There is no authorized capital of Gem Aromatics LLC in terms of shares of stock since equity in an LLC is typically characterized by membership percentages/interest. Accordingly, as on date, there is no issued, and/or subscribed capital of Gem Aromatics LLC in terms of shares. Membership interest is equity in the entity and is the functional equivalent of equity share capital.

Shareholding Pattern

One hundred percent (100%) of the membership interest in Gem Aromatics LLC, which accounts for the entire equity of Gem Aromatics LLC, is outstanding and issued. All outstanding equity in Gem Aromatics LLC, i.e. the 100% outstanding membership interest in Gem Aromatics LLC, is entirely held by our Company.

Interest of our Company

Our Company has 100% membership interest in Gem Aromatics LLC.

Amounts of accumulated profits or losses

There are no accumulated profits or losses of Gem Aromatics LLC that have not been accounted for by our Company.

Brief financial information

The brief financial information of Gem Aromatics LLC is as follows:

(in ₹ million)

Sr. No.	Particulars	As of September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Equity share capital	3.80	3.80	3.80	3.80
2.	Revenue from operations	340.24	508.98	700.04	295.51
3.	Profit/loss after tax	45.42	17.23	42.82	10.00

Sr. No.	Particulars	As of September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
4.	Total borrowings	Nil	Nil	Nil	Nil
5.	Net worth	120.37	75.06	50.26	19.15

*Further, Gem Aromatics FZ LLC, an erstwhile subsidiary, ceased to be a subsidiary of our Company with effect from June 13, 2024, on account of de-registration.

Confirmations

Interest in our Company

As on the date of the Draft Red Herring Prospectus, except as disclosed in “**Restated Consolidated Financial Information**” beginning on page 270, none of our Subsidiaries have any (a) business interest, (b) related business transactions with our Company.

Common pursuits

None of our Subsidiaries have common pursuits with our Company, which could lead to a potential conflict of interest. In the event any conflict situation arises in the future, our Company shall ensure necessary procedures and practices are permitted by laws and regulatory guidelines to address any conflict situations as and when they arise. Our Company has not encountered any instances of conflict in the past.

Conflict of interest

Our Subsidiaries, Krystal Ingredients Private Limited and Gem Aromatics LLC are engaged in the same line of business as that of our Company. However, there is no conflict of interest amongst our aforementioned Subsidiaries and our Company as these Subsidiaries are wholly owned and controlled by our Company. Our Company shall adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any instances of conflict of interest, if and when they may arise.

Listing

As on date of this Draft Red Herring Prospectus, our Subsidiaries are not listed in India or abroad. Further, neither have any of our Subsidiaries been refused listing in the last ten years by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

Our Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Joint ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

Our Associates

As on the date of this Draft Red Herring Prospectus, our Company does not have any associates.

Other confirmations

There is no conflict of interest between third party service providers (crucial for operations of our Company) and our Company, Promoters, Promoter Group, Key Managerial Personnel, Directors, Subsidiaries and Group Companies and their directors.

There is no conflict of interest between the lessors of immovable properties (crucial for operations of our Company) and our Company, Promoters, Promoter Group, Key Managerial Personnel, Directors, Subsidiaries and Group Companies and their directors.

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three directors and not more than fifteen Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises eight Directors, of whom five are Independent Directors including two women Independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth details regarding our Board as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name, designation, term, period of directorship, address, occupation, date of birth and DIN	Age	Other Directorship
1.	<p>Vipul Parekh</p> <p>Designation: Chairman and Whole-Time Director</p> <p>Term: Five years with effect from November 7, 2023. Appointed as the chairman with effect from November 7, 2023</p> <p>Period of Directorship: Director since October 27, 1997.</p> <p>Address: B-2206, Raj Grandeur Co-op Housing Society Limited, Behind Hiranandani Hospital, Tirandaz Village, Powai Mumbai – 400 076, Maharashtra, India</p> <p>Occupation: Business</p> <p>Date of Birth: October 9, 1960</p> <p>DIN: 00235974</p>	64 years	<p><i>Indian Companies</i></p> <p>1. Krystal Ingredients Private Limited</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
2.	<p>Kaksha Vipul Parekh</p> <p>Designation: Whole-Time Director and Chief Financial Officer</p> <p>Term: Five years with effect from November 7, 2023. Appointed as the Chief Financial Officer with effect from November 7, 2023</p> <p>Period of Directorship: Director since October 27, 1997.</p> <p>Address: B-2206, Raj Grandeur Co-op Housing Society Limited, Behind Hiranandani Hospital, Tirandaz Village, Powai Mumbai – 400 076, Maharashtra, India</p> <p>Occupation: Business</p> <p>Date of Birth: September 20, 1965</p> <p>DIN: 00235998</p>	59 years	<p><i>Indian Companies</i></p> <p>1. Krystal Ingredients Private Limited</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
3.	<p>Yash Vipul Parekh</p> <p>Designation: Managing Director and Chief Executive Officer</p> <p>Term: Five years with effect from November 7, 2023. Appointed as the Chief Executive Officer with effect from November 7, 2023.</p> <p>Period of Directorship: Director since April 29, 2011.</p>	38 years	<p><i>Indian Companies</i></p> <p>1. Krystal Ingredients Private Limited</p> <p><i>Foreign Companies</i></p> <p>Gem Aromatics LLC</p>

Sr. No.	Name, designation, term, period of directorship, address, occupation, date of birth and DIN	Age	Other Directorship
	<p>Address: B-2206, Raj Grandeur Co-op Housing Society Limited, Behind Hiranandani Hospital, Mumbai – 400 076, Maharashtra, India</p> <p>Occupation: Business</p> <p>Date of Birth: October 7, 1986</p> <p>DIN: 03514313</p>		
4.	<p>Ajay Sahai</p> <p>Designation: Independent Director</p> <p>Term: Five years with effect from September 21, 2023.</p> <p>Period of Directorship: Director since September 21, 2023.</p> <p>Address: 05A, FW04, Panorama Suite, M3M, Golf Estate, Golf Course Extension Road, Sector 65, Gurgaon – 122 001, Haryana, India</p> <p>Occupation: Business</p> <p>Date of Birth: August 10, 1961.</p> <p>DIN: 06640411</p>	63 years	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
5.	<p>Shrenik Kishorbhai Vora</p> <p>Designation: Independent Director</p> <p>Term: Five years with effect from September 21, 2023.</p> <p>Period of Directorship: Director since September 21, 2023.</p> <p>Address: C 1007, Navnit CHSL, Bhardawadi Road, Andheri West, Mumbai – 400 058, Maharashtra, India</p> <p>Occupation: Business</p> <p>Date of Birth: August 06, 1974.</p> <p>DIN: 08688950</p>	50 years	<p><i>Indian Companies</i></p> <p>1. Novem Advisors Private Limited</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
6.	<p>Vishakha Hari Bhagvat</p> <p>Designation: Independent Director</p> <p>Term: Five years with effect from November 7, 2023.</p> <p>Period of Directorship: Director since November 7, 2023.</p> <p>Address: C-34, Lokmanya Nagar, T.H Kataria Marg, Near Bank of Maharashtra, Mahim, Mahim H.O, Mumbai – 400 016, Maharashtra, India</p> <p>Occupation: Professional</p> <p>Date of Birth: August 21, 1961.</p> <p>DIN: 10352263</p>	63 years	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
7.	<p>Parag Ratnakar Gogate</p> <p>Designation: Independent Director</p> <p>Term: Five years with effect from September 21, 2023.</p>	49 years	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p>

Sr. No.	Name, designation, term, period of directorship, address, occupation, date of birth and DIN	Age	Other Directorship
	<p>Period of Directorship: Director since September 21, 2023.</p> <p>Address: 9, Faculty Quarters ICT, Nathalal Parekh Marg, Matunga, Mumbai – 400 019, Maharashtra, India</p> <p>Occupation: Professor</p> <p>Date of Birth: June 30, 1975.</p> <p>DIN: 10290631</p>		Nil
8.	<p>Shubhangi Bhalchandra Umbarkar</p> <p>Designation: Independent Director</p> <p>Term: Five years with effect from December 17, 2023.</p> <p>Period of Directorship: Director since December 17, 2023.</p> <p>Address: D2-12 NCL Colony, Dr. Homi Bhabha Road, Pashan, Pune City, Pune – 411 008, Maharashtra, India</p> <p>Occupation: Scientist</p> <p>Date of Birth: February 26, 1970.</p> <p>DIN: 10302285</p>	54 years	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>

Brief Profile of our Directors

Vipul Parekh is the Whole-Time Director and Chairman and one of the Promoters of our Company. He has been associated with our Company since its incorporation. He has completed his higher secondary education.* Currently, he is also a director on the board of our Subsidiary, Krystal Ingredients Private Limited. He is responsible for project execution, capital expenditure and human resources.

**Vipul Parekh is unable to trace documentary evidence for his educational qualification. For further details, see “Risk Factors – Internal Risk Factors – 42. Our Promoter, Chairman and Whole-Time Director, Vipul Parekh is unable to trace documents in relation to educational qualifications.” on page 55.*

Kaksha Vipul Parekh is the Whole-Time Director and Chief Financial Officer and one of the Promoters of our Company. She has been associated with our Company since its incorporation. She has completed her higher secondary education from the Maharashtra State Board of Secondary and Higher Secondary Education. Currently, she is also a director on the board of our Subsidiary, Krystal Ingredients Private Limited. She is a board member of Federation of Indian Export Organisations. She is responsible for managing accounts, finance, legal, compliance, export-import and logistics functions of the Company. She has received ‘*Export Excellence Award for outstanding performance in category of Women Entrepreneur – MSME*’ from Federation of Indian Export Organisation for the years 2021-2022, 2018-19 and 2017-18 and ‘*Certificate of Felicitation – SME Activator*’ for remarkable contribution in the SME sector by the Economic Times.

Yash Vipul Parekh is our Managing Director and Chief Executive Officer and one of the Promoters of our Company. He holds a bachelor’s degree in science, business administration from the State University of New York at Buffalo. He also holds a diploma of International Baccalaureate Organisation from The International School of Bangalore. He has been associated with our Company since April 29, 2011. Currently, he is also a director on the board of our Subsidiary, Krystal Ingredients Private Limited. He is responsible for sales and marketing, procurement, research and development and information technology functions of the Company.

Ajay Sahai is an Independent Director. He holds a bachelor’s degree in arts and a master’s degree in arts from the University of Allahabad. He also holds a degree of Doctor of Philosophy in Business Management from Amity University, Uttar Pradesh. He has been associated with our Company since September 21, 2023. Prior to joining our Company, he was associated with Federation of Indian Export Organisations and during his tenure, he was awarded Best Achiever in Export Promotion by Pehchan NGO at the Rajiv Gandhi Excellence Awards 2011. He

is currently director general and chief executive officer of the Federation of Indian Export Organisations. He is also a part-time member of the New Delhi International Arbitration Centre on ex-officio basis.

Shrenik Kishorbhai Vora is an Independent Director. He holds a bachelor's degree in commerce from University of Bombay. He also holds a certificate of membership from the Institute of Chartered Accountants of India. He has been associated with our Company since September 21, 2023. Prior to joining our Company, he was associated with ECL Finance Limited, Edelweiss Group as senior vice president. He is currently an executive director of Novem Advisors Private Limited.

Vishakha Hari Bhagvat is an Independent Director. She holds a bachelor's degree in commerce from R.A. Podar College of Commerce and Economics, University of Bombay. She also holds a bachelor's degree in law and a master's degree in laws from the New Law College, University of Bombay. She was admitted to the Bar Council of Maharashtra in 1985. She has been associated with our Company since November 7, 2023. Prior to joining our Company, she was associated Link Legal as a partner.

Parag Ratnakar Gogate is an Independent Director. He holds a bachelor's degree in chemical engineering and master's degree in chemical engineering from the University Department of Chemical Technology, University of Mumbai. A degree of doctor of philosophy (technology) in chemical engineering has been conferred on him from the Institute of Chemical Technology, University of Mumbai. He has been associated with our Company since September 21, 2023. He also holds a membership from the Institute of Chemical Engineers and has been registered by the Engineering Council as Chartered Engineer. He was awarded the Dr. Naresh J. Suchak Innovation Award from Institute of Chemical Technology in 2020. He is currently working as a professor of chemical engineering at Institute of Chemical Technology, Mumbai.

Shubhangi Bhalchandra Umbarkar is an Independent Director. She holds a master's degree in science (chemistry) and a degree of doctor of philosophy has been conferred on her from Indian Institute of Technology, Bombay. She has been associated with our Company since December 17, 2023. She was awarded Director's Commendation Award from National Chemical Laboratory Research Foundation in 2015-16 and 2019-20. She is working as a scientist at the National Chemical Laboratory, Pune.

Confirmations

None of our Directors were or are directors of listed companies during the preceding five years of this Draft Red Herring Prospectus whose shares have been/ were suspended from being traded on any stock exchange during his/ her tenure as a director of such listed company.

None of our Directors were or are directors in listed companies which were delisted from any stock exchanges during his/ her tenure.

Except as disclosed in this Draft Red Herring Prospectus, none of our Directors are interested as a member in any firm or company which has any interest in our Company.

None of our Directors have been declared as Wilful Defaulters nor as Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the applicable guidelines issued by the RBI.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Relationship amongst our Directors

Except as stated below, none of our Directors are related to each other:

1. Vipul Parekh is the spouse of Kaksha Vipul Parekh and father of Yash Vipul Parekh.
2. Yash Vipul Parekh is the son of Vipul Parekh and Kaksha Vipul Parekh.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors were selected / appointed as Directors of our Company pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Service contracts with Directors

None of our Directors have entered into service contracts with our Company which provide benefits upon termination of employment.

Borrowing Powers of our Board

Pursuant to Section 180(1)(a), 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and our Articles of Association, subject to applicable laws and pursuant to the resolution passed by our Board dated July 13, 2023 and the special resolution passed by our Shareholders dated July 14, 2023 authorised our Board to borrow any sum or sums of money for the purpose of business of the Company, provided that the monies to be borrowed together with the money already borrowed by the Company must not exceed ₹ 3,000.00 million over and above the aggregate paid up share capital, securities premium and free reserves of the Company.

Terms of Appointment of the Executive Directors of our Company

Vipul Parekh, Chairman and Whole-Time Director

Vipul Parekh was appointed as the Whole-Time Director and Chairman of our Company with effect from November 7, 2023 until November 7, 2028 pursuant to the shareholders resolution dated November 8, 2023. He is entitled to the following remuneration and perquisites with effect from November 7, 2023:

Date of appointment	November 7, 2023
Term of appointment	5 years
Remuneration (in ₹ million)	Not exceeding 2.5% of Net Profits as computed under section 198 of the Companies Act 2013 read with Section 197 of the Companies Act and along rules made thereunder.

Kaksha Vipul Parekh, Whole-Time Director and Chief Financial Officer

Kaksha Vipul Parekh was appointed as the Whole-Time Director and Chief Financial Officer of our Company with effect from November 7, 2023 until November 7, 2028 pursuant to the shareholders resolution dated November 8, 2023. She is entitled to the following remuneration and perquisites with effect from November 7, 2023:

Date of appointment	November 7, 2023
Term of appointment	5 years
Remuneration (in ₹ million)	Not exceeding 2.5% of Net Profits as computed under section 198 of the Companies Act 2013 read with Section 197 of the Companies Act and along rules made thereunder

Yash Vipul Parekh, Managing Director and Chief Executive Officer

Yash Vipul Parekh was appointed as the Managing Director and Chief Executive Officer of our Company with effect from November 7, 2023 until November 7, 2028 pursuant to the shareholders resolution dated November 8, 2023. He is entitled to the following remuneration and perquisites with effect from November 7, 2023:

Date of appointment	November 7, 2023
Term of appointment	5 years
Remuneration (in ₹ million)	Not exceeding 5% of Net Profits as computed under section 198 of the Companies Act 2013 read with Section 197 of the Companies Act and along rules made thereunder

Terms of appointment of our Non-Executive Directors and Independent Directors

Pursuant to a resolution passed by our Board at its meeting held on September 21, 2023, November 7, 2023, and December 17, 2023, each Independent Director is entitled to receive sitting fees of ₹ 25,000 for attending meetings

of our Board and Committees of our Board.

Neither our Company nor our Subsidiary has paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for Fiscal 2024.

Payment or Benefit to Directors

a) Executive Directors

The table below sets forth the details of the remuneration (including salaries and perquisites) paid to our Executive Directors for Fiscal 2024:

Sr. No.	Name of the Executive Director	Remuneration for Fiscal 2024 (in ₹ million)
1.	Vipul Parekh	12.07
2.	Kaksha Vipul Parekh	12.07
3.	Yash Vipul Parekh	12.07

b) Independent Directors

The table below sets forth the details of the remuneration (including sitting fees) paid to our Independent Directors for Fiscal 2024:

Sr. No.	Name of the Director	Remuneration for Fiscal 2024 (in ₹ million)
1.	Ajay Sahai	0.15
2.	Shrenik Kishorbhai Vora	0.20
3.	Vishakha Hari Bhagvat	0.13
4.	Parag Ratnakar Gogate	0.08
5.	Shubhangi Bhalchandra Umbarkar	0.08

Remuneration paid by our Subsidiaries or Associate

As on date of this Draft Red Herring Prospectus, none of our Directors have received any remuneration from the Subsidiaries of our Company. Further, our Company does not have an associate as on the date of this Draft Red Herring Prospectus.

Bonus or Profit-Sharing Plans

None of our Directors are a party to any bonus or profit-sharing plan of our Company.

Contingent or Deferred Compensation to our Directors

There is no contingent or deferred compensation payable to our Directors which does not form part of their remuneration.

Shareholding of Directors

The Articles of Association of our Company do not require our Directors to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of this Draft Red Herring Prospectus is set forth below:

Sr. No.	Name of Director	Number of Equity Shares	Percentage shareholding (%)
1.	Vipul Parekh	12,451,475	26.58
2.	Yash Vipul Parekh	6,125,797	13.07
3.	Kaksha Vipul Parekh	5,962,092	12.73
Total		24,539,364	52.38

Interest of Directors

Certain of our Directors, may be deemed to be interested to the extent of sitting fees and commission, if any, payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration, commission and reimbursement of expenses, if any, payable to them or their relatives by our Company under our Articles of Association and their respective appointment letters, and to the extent of remuneration paid to them or their relatives for services rendered as an officer or employee of our Company. For further details, see “*Payments or Benefit to Directors*”, on page 250.

Our Directors may also be deemed to be interested to the extent of Equity Shares (together with dividends and other distributions in respect of such Equity Shares), held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives. For further details, see “*Shareholding of Directors*”, on page 250.

Except as stated in “*Summary of the Offer Document – Summary of Related Party Transactions*” on page 24, no amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Directors.

Except for Vipul Parekh, Kaksha Vipul Parekh and Yash Vipul Parekh, who are our Promoters, none of our Directors are interested in the promotion of our Company.

None of our Directors have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

None of our Directors have availed loans from our Company.

Other than the participation in the Offer for Sale by the Promoter Selling Shareholders, none of our Directors have any existing or anticipated transaction whereby our Directors will receive any portion of the proceeds from the Offer.

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 such Director to become or to help such Director to qualify as a Director, or otherwise for services rendered by them.

Vipul Parekh, Kaksha Vipul Parekh and Yash Vipul Parekh may also be deemed to be interested to the extent of their directorships in our Subsidiary, Krystal Ingredients Private Limited. Additionally, Yash Vipul Parekh may also be deemed to be interested to the extent of his shareholding in our Subsidiary, Krystal Ingredients Private Limited. Further, Yash Vipul Parekh may also be deemed to be interested to the extent of his role as a managing director in our Subsidiary, Gem Aromatics LLC.

Further, our Company has entered into a leave and licence agreement dated August 5, 2020 with Vipul Parekh, one of our Promoters, to use and occupy on temporary and non-transferable leave and licence basis a property situated at A/410, Kailas Complex, Park Site, Vikhroli – Powai Link Road, Vikhroli (W) Mumbai – 400 079 (*Registered Office of our Company*) for a period of 60 months, effective from February 1, 2020. Further, our Company has entered into a leave and licence agreement dated August 5, 2020 with Kaksha Vipul Parekh, one of our Promoters, to use and occupy on temporary and non-transferable leave and licence basis a property situated at A/411, Kailas Complex, Park Site, Vikhroli – Powai Link Road, Vikhroli (W) Mumbai – 400 079 for a period of 60 months, effective from February 1, 2020. For details, see “*Risk factors – Internal Risk factors - 48. Our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel may have interests other than reimbursement of expenses incurred and normal remuneration or benefits.*” on page 60.

Changes in our Board in the last three years

Except for the following, there has been no change in the Board of Directors of the Company, in the last 3 years.

Sr. No.	Name	Date of Appointment/ Change in Designation/Cessation	Reasons
1.	Sean Michael Poynter	July 9, 2024	Resignation from the post of nominee director on behalf of dōTERRA Enterprises, Sàrl
2.	Shubhangi Bhalchandra Umbarkar	December 17, 2023	Appointment as an Independent Director

Sr. No.	Name	Date of Appointment/ Change in Designation/Cessation	Reasons
3.	Sean Michael Poynter	November 8, 2023	Appointment as a nominee director on behalf of dōTERRA Enterprises, Sàrl
4.	Corey Bart Lindly	November 7, 2023	Resignation from the post of nominee director on behalf of dōTERRA Enterprises, Sàrl
5.	Vishakha Hari Bhagvat	November 7, 2023	Appointment as an Independent Director
6.	Vipul Parekh	November 7, 2023	Re-appointment as the Chairman and Whole-Time Director
7.	Kaksha Vipul Parekh	November 7, 2023	Re-appointment as the Whole-Time Director and Chief Financial Officer
8.	Yash Vipul Parekh	November 7, 2023	Re-appointment as the Managing Director and Chief Executive Officer
9.	Ajay Sahai	September 21, 2023	Appointment as an Independent Director
10.	Shrenik Kishorbhai Vora	September 21, 2023	Appointment as an Independent Director
11.	Parag Ratnakar Gogate	September 21, 2023	Appointment as an Independent Director

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations and the Companies Act, 2013 in respect of corporate governance pertaining to the constitution of our Board and committees thereof and formulation of policies.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, our Board comprises eight Directors (including three women directors), of whom three are Executive Directors, and five are Independent Directors.

Committees of our Board

Our Board has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee; and
5. Risk Management Committee;

In addition to the above, our Board may, from time to time, constitute committees to delegate certain powers for various functions, in accordance with applicable laws.

Audit Committee

The Audit Committee of our Board was constituted by a resolution of our Board at their meeting held on November 7, 2023. The constitution of the Audit Committee is as follows:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Shrenik Kishorbhai Vora	Independent Director	Chairperson
2.	Ajay Sahai	Independent Director	Member
3.	Vishakha Hari Bhagvat	Independent Director	Member

Sr. No.	Name of the Director	Designation	Position in the Committee
4.	Kaksha Vipul Parekh	Whole-Time Director and Chief Financial Officer	Member

The Company Secretary will act as the Secretary of the Committee.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

Terms of Reference for the Audit Committee:

The Audit Committee shall be responsible for, among other things, from time to time, the following:

A. Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Role of the Audit Committee

The role of the Audit Committee shall include the following:

1. To oversee the financial reporting process;
2. To review financial results and related information and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
3. To approve or modify any related party transactions, to review internal financial controls and risk management system,
4. To review and evaluate with the management performance of statutory and internal auditors, effectiveness of audit process and adequacy of the internal control systems;
5. To review and monitor the statutory auditor's independence and performance, and effectiveness of audit process;
6. Approval of payment to statutory auditors for any other services rendered by the statutory auditors of the company;
7. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act as amended from time to time;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;

- v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Modified opinion(s) in the draft audit report.
8. Reviewing, with the management, the quarterly, half-yearly before submission to the Board for approval;
 9. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company.
 10. Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for subject to the conditions as may be prescribed, by the independent directors who are members of the Audit Committee.
 11. Scrutinising 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. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances
 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. Discussing with internal auditors on 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. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 19. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
 20. Reviewing the functioning of the whistle blower mechanism;
 21. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
 22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the SEBI Listing Regulations, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or by any other regulatory authority.
 23. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law.
 24. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

25. To ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company

C. Reviewing Powers

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;
2. Related party transactions approved by the directors;
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 chief internal auditor shall be subject to review by the audit committee;
6. Examination of the financial statements and the auditors' report thereon; and
7. Statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations; and
 - ii. annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was constituted by a resolution of our Board at their meeting held on November 7, 2023. The constitution of the Nomination and Remuneration Committee is as follows:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Ajay Sahai	Independent Director	Chairperson
2.	Shrenik Kishorbhai Vora	Independent Director	Member
3.	Parag Ratnakar Gogate	Independent Director	Member

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

Terms of Reference for the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

1. To formulate the Nomination and Remuneration policy,
2. Identifying persons who qualify to become directors and ensure their fit and proper status, scrutinize the fit and proper declarations made and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment and removal,
3. Carrying out evaluations of every director's performance and ensuring the fit and proper status of proposed and existing directors and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel, senior management and other employee as may deem fit;
4. To set criteria for determining qualifications, positive attributes and independence of a director,

5. To formulate criteria for evaluation of performance of the independent directors and the Board.
6. To evaluate for every appointment of an independent director, the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.
7. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
8. Devising a policy on Board diversity;
9. Analysing, monitoring and reviewing various human resource and compensation matters;
10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
 - ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.
12. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the SEBI Listing Regulations or by any other regulatory authority; and
13. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of our Board was constituted by a resolution of our Board at their meeting held on November 7, 2023. The constitution of the Stakeholders' Relationship Committee is as follows:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Shrenik Kishorbhai Vora	Independent Director	Chairperson
2.	Vishakha Hari Bhagvat	Independent Director	Member
3.	Yash Vipul Parekh	Managing Director and Chief Executive Officer	Member

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

Terms of Reference for the Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

The terms of reference of the Stakeholders' Relationship Committee include the following:

1. To consider and resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares/securities, 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. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
4. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
5. 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
6. 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.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of our Board was re-constituted by a resolution of our Board at their meeting held on December 16, 2024. The constitution of the Corporate Social Responsibility Committee is as follows:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Kaksha Vipul Parekh	Whole-Time Director and Chief Financial Officer	Chairperson
2.	Vipul Parekh	Whole-Time Director and Chairman	Member
3.	Parag Gogate	Independent Director	Member
4.	Shubhangi Bhalchandra Umbarkar	Independent Director	Member

The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act.

Terms of Reference for the Corporate Social Responsibility Committee

The terms and reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board a Corporate Social Responsibility (“**CSR**”) Policy which shall indicate the activities to be undertaken by the Company in areas or subject specified in Schedule VII of the Companies Act 2013;
2. To recommend the amount of expenditure to be incurred on the CSR Activities in line with the Schedule VII of the Companies Act, 2013;
3. To monitor CSR policy of the Company from time to time;
4. To institute a transparent monitoring mechanism for implementation of the CSR activities or projects or programs of the Company;
5. To perform such other duties and functions as the Board may require the CSR committee to undertake to promote the CSR activities of the Company or as may be required under applicable laws.

Risk Management Committee

The Risk Management Committee was re-constituted by a resolution of our Board at their meeting held on December 16, 2024. The members of the Risk Management Committee are:

Sr. No.	Name of the Director	Director	Position in the Committee
1.	Kaksha Vipul Parekh	Whole-Time Director and Chief Financial Officer	Chairperson
2.	Yash Vipul Parekh	Managing Director & Chief Executive Officer	Member
3.	Shrenik Kishorbhai Vora	Independent Director	Member
4.	Ajay Sahai	Independent Director	Member

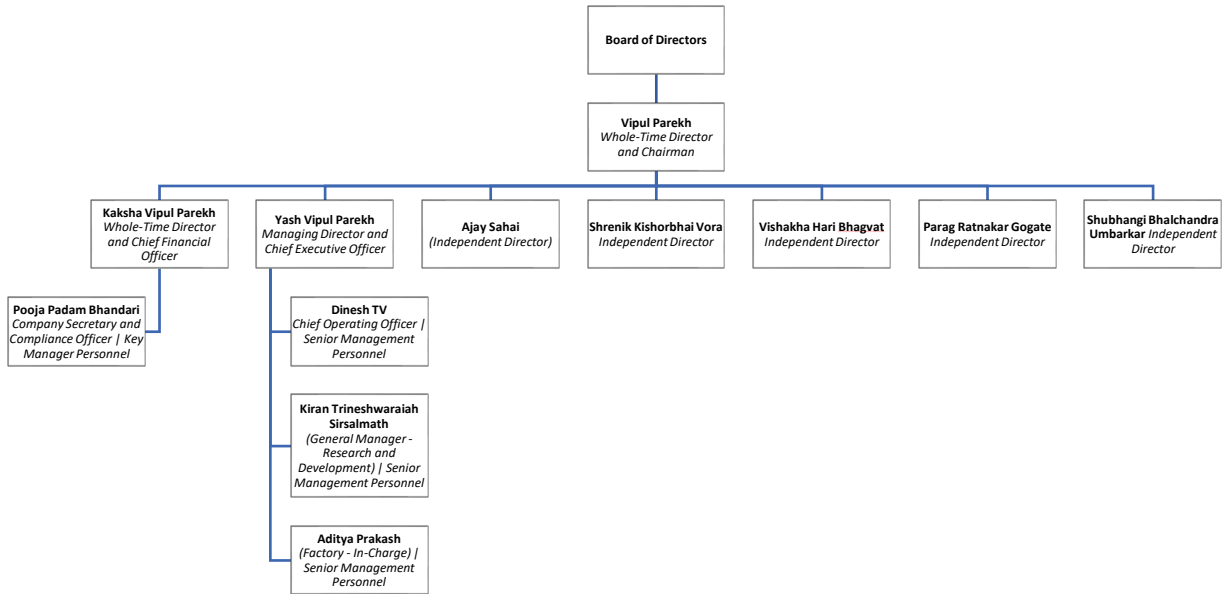
The scope and functions of the Risk Management Committee are in accordance with Section 178 of the Companies Act and the Regulation 21 of the SEBI Listing Regulations.

Terms of Reference for the Risk Management Committee

The terms of reference of the Risk Management Committee include the following:

1. To formulate and approve Company's Risk Management Policy and procedures which shall include:
 - i. a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - ii. measures for risk mitigation including systems and processes for internal control of identified risks.
 - iii. business continuity plan.
2. To ensure and monitor appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To review portfolio and its delinquency at a product level and NPA Management
6. To evaluate the overall risks faced by the Company.
7. To monitor and evaluate liquidity risk faced by the Company.
8. To ensure adherence to liquidity risk management policies and procedure
9. To consider and review the Liquidity Risk Analysis and Monitoring measures.
10. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
11. To recommend to the Board for the appointment of the Chief Risk Officer on such terms as may be approved by the Board.
12. To carry out such other functions as may be specified by the Board from time to time or specified/provided the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended and/ or by any other regulatory authority.

Management Organisation Structure



Key Managerial Personnel and Senior Management

Key Managerial Personnel

In addition to our Chairman and Whole-Time Director, Vipul Parekh, our Whole-Time Director and Chief Financial Officer, Kaksha Vipul Parekh and our Managing Director and Chief Executive Officer, Yash Vipul Parekh, whose details have been provided under the paragraph “**Our Management – Board of Directors**” on page 245, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus, are as follows:

Pooja Padam Bhandari is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since July 31, 2024. She holds a bachelor’s degree in commerce and a master’s degree in commerce from the University of Mumbai. She is an associate member of the Institute of Company Secretaries of India. She has previously worked with SSBA Innovations Limited. She is responsible for ensuring legal and secretarial compliance in our Company. Since, she was appointed in Fiscal 2025, she did not receive any compensation from our Company in Fiscal 2024.

Senior Management

Dinesh TV is the Chief Operating Officer of our Company. He was appointed as Chief Operating Officer on September 21, 2023. He has been associated with our Company since October 3, 1997. He holds a master’s degree in chemistry from the University of Calicut. The gross remuneration paid to him during Fiscal 2024 was ₹ 3.40 million.

Kiran Trineshwaraiiah Sirsalmath is the General Manager – Research and Development of our Company. He has been associated with our Company since September 25, 2022. He holds a bachelor’s degree in science and a master’s degree in science from Karnatak University, Dharwad. He has been conferred a degree of doctor of philosophy in chemistry from the Karnatak University. Prior to joining our Company, he was associated with various companies engaged in manufacturing of specialty ingredients. The gross remuneration paid to him during Fiscal 2024 was ₹ 3.98 million.

Aditya Prakash is the Factory – In-charge of our Company. He joined our Company on March 24, 2014. He holds a bachelor’s degree in science from the Kanpur University, Kanpur and masters’ degree in science from Bundelkhand University, Jhansi. Prior to joining our Company, he was associated with Decan Phytochemicals, Sharp Aromatics India Limited and V.S Industries. The gross remuneration paid to him during Fiscal 2024 was ₹ 1.29 million.

Relationship amongst our Key Managerial Personnel and Senior Management

Other than as mentioned in “- **Relationship amongst our Directors**” on page 248, none of our Key Managerial Personnel and Senior Management Personnel are related to each other.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management have been selected pursuant to any arrangement or understanding with any Shareholders, customers or suppliers or others.

Retirement and termination benefit

Except for applicable statutory benefits upon termination of their employment in our Company or superannuation, none of our Key Managerial Personnel and Senior Management would receive any benefits on their retirement or on termination of their employment with our Company.

Service Contracts with Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management have entered into any service contract with our Company.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

As of the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management for Fiscal 2024 which do not form part of their remuneration.

Status of Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Management

Except for Equity Shares held by our Directors as mentioned at “– **Shareholding of Directors**” on page 250, none of our Key Managerial Personnel and Senior Management hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Bonus or Profit-Sharing Plan of Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management are party to any bonus or profit-sharing plan of our Company other than performance based discretionary incentives given to the Key Managerial Personnel and Senior Management.

Changes in the Key Managerial Personnel and Senior Management

Other than as disclosed under “– **Changes in our Board in the last three years**” on page 251, the changes in our Key Managerial Personnel and our Senior Management during the three years immediately preceding the date of this Draft Red Herring Prospectus, are set forth below:

Sr. No.	Name of the Key Managerial Personnel	Date of Appointment / Change / Cessation	Reasons
1.	Pooja Padam Bhandari	July 31, 2024	Appointment as Company Secretary
2.	Shaila Sachin Gangurde	April 27, 2024	Resignation from the post of company secretary
3.	Dinesh TV	September 21, 2023	Redesignation as Chief Operating Officer
4.	Shaila Sachin Gangurde	March 29, 2023	Appointment as company secretary
5.	Kiran Trineshwaraiiah Sirsalmath	September 25, 2022	Appointment as the General Manager – Research and development

Interest of Key Managerial Personnel and Senior Management

Except as disclosed under “**Our Management - Interest of Directors**”, and “**Restated Consolidated Financial Information – Note 32 – Related Party Transactions**” on pages 251 and 308, respectively, our Directors, and Key Managerial Personnel do not have any interest in our Company.

Our Key Managerial Personnel and Senior Management are interested and deemed to be interested in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Attrition of Key Managerial Personnel and Senior Management vis-à-vis industry

The rate of attrition of our Key Managerial Personnel and Senior Management is not high in comparison to the industry in which we operate.

Payment or benefits to Directors or Key Managerial Personnel and Senior Management (non-salary related)

Except as disclosed above under “**Interest of our Directors**” on page 251, “**Interest of Key Managerial Personnel and Senior Management**” on page 261 and as stated in see “**Restated Consolidated Financial Information – Note 32 – Related Party Transactions**” on page 308, no amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Red Herring Prospectus or intended to be paid or given to any officer of our Company, including our Directors, Key Management Personnel and Senior Management.

Employee Stock Option Scheme

Our Company does not have an employee stock option plan.

OUR PROMOTERS AND PROMOTER GROUP



Our Promoters:


1. Vipul Parekh;
2. Kaksha Vipul Parekh;
3. Yash Vipul Parekh; and
4. Parekh Family Trust.

As on date of this Draft Red Herring Prospectus, our Company's Promoters hold an aggregate of 35,139,364 Equity Shares, constituting 75.00% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. Set forth in the table below is the individual shareholding of our Promoters:

Sr. No.	Name of the Promoter	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital of our Company (%)
1.	Vipul Parekh	12,451,475	26.58
2.	Kaksha Vipul Parekh	5,962,092	12.73
3.	Yash Vipul Parekh	6,125,797	13.07
4.	Parekh Family Trust	10,600,000	22.62
Total		35,139,364	75.00

Our Individual Promoters:

	<p>Vipul Parekh</p> <p><i>Date of Birth:</i> October 9, 1960</p> <p><i>Permanent Account Number:</i> AHHPP2423L</p> <p>Vipul Parekh, aged 64 years, is one of our Promoters and is also the Chairman and Whole-Time Director of our Company.</p> <p>For the complete profile of Vipul Parekh, along with details of his personal address, educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, please see "<i>Our Management – Board of Directors</i>" on page 245.</p>
	<p>Kaksha Vipul Parekh</p> <p><i>Date of Birth:</i> September 20, 1965</p> <p><i>Permanent Account Number:</i> AHHPP2425N</p> <p>Kaksha Vipul Parekh, aged 59 years, is one of our Promoters and is also a Whole-Time Director and Chief Financial Officer of our Company.</p> <p>For the complete profile of Kaksha Vipul Parekh, along with details of his personal address, educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, please see "<i>Our Management – Board of Directors</i>" on page 245.</p>

	<p>Yash Vipul Parekh</p> <p>Date of Birth: October 7, 1986</p> <p>Permanent Account Number: AABPP3469P</p> <p>Yash Vipul Parekh, aged 38 years, is one of our Promoters and is also the Managing Director and Chief Executive Officer of our Company.</p> <p>For the complete profile of Yash Vipul Parekh, along with details of his personal address, educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, please see “Our Management – Board of Directors” on page 245.</p>
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Our Company confirms that the PAN, bank account number, passport number, Aadhar card number and driving license number of Vipul Parekh, Kaksha Vipul Parekh, and Yash Vipul Parekh will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Our Promoter entity:

Parekh Family Trust

Corporate information and History

Parekh Family Trust was constituted pursuant to a trust deed dated July 28, 2023. As on the date of this Draft Red Herring Prospectus, the Parekh Family Trust (acting through its trustees, Vipul Parekh and Kaksha Vipul Parekh) holds 10,600,000 Equity Shares, representing 22.62% of the total paid-up Equity Share capital of our Company. The principal office of the Parekh Family Trust is located at 401, Parimal Vikrant Circle, Ghatkopar East, Rajawadi SO, Mumbai – 400 077, Maharashtra, India.

Set out below are the objectives of the Parekh Family Trust:

- i To provide, *inter alia*, a suitable succession planning structure to ensure seamless intergenerational transfer of the Trust Fund amongst the Beneficiaries and to ensure harmony and avoid conflicts between the Beneficiaries of the Trust;
- ii To provide for different needs and requirements of the Beneficiaries in accordance with the terms of the Deed depending upon changing circumstances of life style and their varying needs including, as applicable, but not limited to (a) maintenance; (b) education; (c) marriage expenses; (d) medical expenses; (e) residence; and (f) other expenses and contingencies of the Beneficiaries which the Trustees may in their absolute discretion deem fit;
- iii To provide for consolidation and preservation of all assets of the Trust; and
- iv To ensure that the Trust Fund is properly managed and administered in accordance with the provisions of the Deed and to undertake other activities of any nature whatsoever, in accordance with the powers available to the Trustees under this Deed and Applicable Law.

Reason for creation of the trust

The Parekh Family trust was created for the purposes of succession planning.

Settlor of the Parekh Family Trust

The settlor of the Parekh Family Trust is Vipul Parekh.

Trustees of the Parekh Family Trust

Vipul Parekh and Kaksha Vipul Parekh are the trustees of Parekh Family Trust.

Beneficiaries of the Parekh Family Trust

Kaksha Vipul Parekh and Yash Vipul Parekh are the primary beneficiaries of the Parekh Family Trust.

Change in control or management

There has been no change in control or management of Parekh Family Trust since its inception.

Our Company confirms that the permanent account number and bank account number of Parekh Family Trust shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Interests of our Promoters

Our Promoters are interested in our Company to the extent: (a) that they have promoted our Company; and (b) of their respective shareholding in our Company, the shareholding of their relatives and entities in which the Promoters are interested and which hold the Equity Shares, and the dividends payable upon such shareholding, if any; (c) any other distributions in respect of the Equity Shares held by them, their relatives or such entities, if any; (d) of being the Directors and Key Managerial Personnel of our Company and the sitting fees/ remuneration, benefits and reimbursement of expenses, payable to them as per the terms of their employment by our Company; and (e) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoters hold shares or have an interest, if applicable. For further details of our Promoters, see “***Offer Document Summary – Summary of Related Party Transactions***” on page 24 and see “***Capital Structure***” and “***Our Management***” beginning on pages 19 and 245, respectively.

None of our Promoters are interested as a member of a firm or company and no sum has been paid or agreed to be paid to any of our Promoters or to any such firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise, for services rendered by such Promoter(s) or by such firm or company in connection with the promotion or formation of our Company.

Save and except as disclosed below, none of our Promoters have an interest in any property acquired by or leased to our Company during the three years immediately preceding the date of the Draft Red Herring Prospectus or proposed to be acquired or leased to our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Further, our Company has entered into a leave and licence agreement dated August 5, 2020 with Vipul Parekh, one of our Promoters, to use and occupy on temporary and non-transferable leave and licence basis a property situated at A/410, Kailas Complex, Park Site, Vikhroli – Powai Link Road, Vikhroli (W) Mumbai – 400 079 (*Registered Office of our Company*) for a period of 60 months, effective from February 1, 2020. Further, our Company has entered into a leave and licence agreement dated August 5, 2020 with Kaksha Vipul Parekh, one of our Promoters, to use and occupy on temporary and non-transferable leave and licence basis a property situated at A/411, Kailas Complex, Park Site, Vikhroli – Powai Link Road, Vikhroli (W) Mumbai – 400 079 for a period of 60 months, effective from February 1, 2020.

For further details, see “***Restated Consolidated Financial Information – Note 32 – Related Party Transactions***” on page 308.

There are no entities forming part of our Promoter Group that are engaged in business activities similar to those of our Company. Further, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when it arises.

Our Promoters are interested in our Company (i) to the extent of the equity shares held by them in our Subsidiaries, directly or indirectly and the benefits accruing therefrom and (ii) to the extent that they are directors on the board of directors of our Subsidiaries. For further details, please see “***History and certain Corporate Matters - Our Subsidiaries***” on page 242 and “***Our Management***” beginning on page 245.

Payment or benefits to our Promoters or our Promoter Group

Except as stated in “***Our Management***” beginning on page 245 and “***Restated Consolidated Financial***

Information – Note 32 – Related Party Transactions” on page 308, there has been no direct or indirect contracts, agreements or any other arrangements pursuant which any amount, payment or benefit paid or given, respectively, to our Promoters or Promoter Group during two years prior to the date of this Draft Red Herring Prospectus and no amount, payment or benefit is intended to be paid or given to any of our Promoters or members of the Promoter Group.

Other ventures of our Promoters

Other than as disclosed in “**Our Promoters and Promoter Group – Our Promoter Group - Entities forming part of the Promoter Group of our Promoters**” on page 267 and in “**Our Management**” beginning on page 245, our promoters are not involved in any other ventures.

Material guarantees

As on the date of this Draft Red Herring Prospectus, our Company and our Promoters have not given any material guarantees to any third party with respect to the Equity Shares of our Company.

Change in the control of our Company

There has been no change in control of our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus.

Confirmations

Our Company, our Promoters, members of our Promoter Group, persons in control of our Company and the persons in control of Parekh Family Trust 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 in India or abroad.

None of the companies with which our Promoters 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.

Neither our Company, nor our Promoters have been identified as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined in the SEBI ICDR Regulations) or consortium thereof, in accordance with the guidelines issued by Reserve Bank of India.

Neither our Company, nor our Promoters have been declared as ‘Fraudulent Borrowers’ by the lending banks or financial institution or consortium, in terms of RBI master direction dated July 1, 2016.

Our Promoters have not been declared as fugitive economic offenders under the Fugitive Economic Offenders Act, 2018

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company in the last three years preceding the date of filing of this Draft Red Herring Prospectus.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Our Promoter Group

In addition to our Promoters, the following persons and entities form part of our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Natural persons who are part of the Promoter Group

Name of Promoter	Relationship	Name of the Relative
Vipul Parekh	Spouse	Kaksha Vipul Parekh
	Sister	Bhavna Sunil Sanghvi
	Sister	Vasudha Kirti Vakharia
	Son	Yash Vipul Parekh
	Daughter	Sneh Ajmera
	Spouse's Mother	Krishna Lallubhai Chitalia*
	Spouse's Father	Lallubhai Hargovindas Chitalia*
	Spouse's Brother	Rajesh Lallubhai Chitalia*
Kaksha Vipul Parekh	Spouse's Sister	Lopa Janak Mehta
	Spouse	Vipul Parekh
	Mother	Krishna Lallubhai Chitalia
	Father	Lallubhai Hargovindas Chitalia
	Brother	Rajesh Lallubhai Chitalia
	Sister	Lopa Janak Mehta
	Son	Yash Vipul Parekh
	Daughter	Sneh Ajmera
	Spouse's Sister	Bhavna Sunil Sanghvi
Yash Vipul Parekh	Spouse's Sister	Vasudha Kirti Vakharia
	Spouse	Vruta Yash Parekh
	Mother	Kaksha Vipul Parekh
	Father	Vipul Parekh
	Sister	Sneh Ajmera
	Daughter	Prisha Yash Parekh
	Spouse's Mother	Trupti Rajesh Parekh
	Spouse's Father	Rajesh Prataprai Parekh
Spouse's Sister	Nirvi Chaitanya Mehta	

Entities forming part of the Promoter Group of our Promoters:

Sr. No.	Name
1.	Papilo Agency Limited
2.	Eastfort Mercantiles Limited
3.	Vital Enclave Private Limited
4.	Gopinath Dairy Products Private Limited*
5.	Adhoksaja Trading & Investments LLP
6.	H & G Clothing LLP
7.	In Design (Partnership Firm)
8.	Royal Builders (Partnership Firm)
9.	Pratap Exports (Partnership Firm)
10.	Rajesh Trading Company (Partnership Firm)
11.	Krishna Investment & Services (Partnership Firm)
12.	Dyetex Corporation
13.	Gem Aromatics Foundation
14.	V N Parekh Trust
15.	K V Parekh Trust
16.	Smt Krishna Lallubhai Chitalia Ch. Trust
17.	Gem Aromatics Limited Employees GGCA Scheme (Trust)
18.	Sanskriti Welfare Trust
19.	Yash Vipul Parekh (HUF)
20.	R L Chitalia H U F
21.	Lallubhai Chitalia HUF

*The State Bank of India filed an application dated March 3, 2021, under Section 7 of the Insolvency and Bankruptcy Code, 2016, as amended, against Gopinath Dairy Products Limited, one of the members of our Promoter Group for initiating corporate insolvency resolution process. Pursuant to the order dated February 9, 2023, National Company Law Tribunal, Mumbai bench, had admitted the application made by the State Bank of India for initiating corporate insolvency resolution process. Subsequently, on June 25, 2024, a liquidation order was passed by the National Company Law Tribunal, Mumbai bench, under Section 33 of the Insolvency and Bankruptcy Code, 2016, as amended, against

Gopinath Dairy Products Private Limited and a preferred bidder was selected by way of an auction. Accordingly, Gopinath Dairy Products Private Limited is unable to provide any information and confirmations as required under the SEBI ICDR Regulations, as a member of the Promoter Group.

Our Company had filed an application dated April 24, 2024 with SEBI under Regulation 300(1)(c) of the SEBI ICDR Regulations (“**Exemption Application**”), requesting for relaxation of the strict enforcement of the provisions of the SEBI ICDR Regulations with respect to identifying and disclosing, Gopinath Dairy Products Private Limited, a body corporate, as a member of our Promoter Group in which Lallubhai Hargovindas Chitalia, Krishna Lallubhai Chitalia, Rajesh Lallubhai Chitalia, R L Chitalia HUF and Vital Enclave Private Limited, members of our Promoter Group, together held more than 20% of the equity share capital, as required under the SEBI ICDR Regulations.

By way of a letter dated July 29, 2024 (bearing reference number SEBI/HO/CFD/RAC-DILI/P/OW/2023/24351), SEBI has rejected the Exemption Application and has decided not to grant exemption from including/ disclosing Gopinath Dairy Products Limited and the relevant information pertaining to Gopinath Dairy Products Private Limited as required under the SEBI ICDR Regulations. Further, Gopinath Dairy Products Private Limited was also noted as a wilful defaulter. Lallubhai Hargovindas Chitalia, Rajesh Lallubhai Chitalia, the directors of Gopinath Dairy Products Private Limited and Krishna Lallubhai Chitalia, a guarantor of Gopinath Dairy Products Private Limited, were also categorized as wilful defaulters in their capacities of directors and guarantor.

Our Company is not associated with Gopinath Dairy Products Private Limited in any other capacity and the association of Lallubhai Hargovindas Chitalia, Rajesh Lallubhai Chitalia and Krishna Lallubhai Chitalia is only to the extent of them being immediate relatives of one of our Promoters, Kaksha Vipul Parekh.

Our Company has included disclosures pertaining to the Gopinath Dairy Products Private Limited, based on and limited only to the extent of information publicly available from the websites of certain government authorities and other public databases including the website of Gopinath Dairy Products Limited, in this section, in order to comply with the requirements of the SEBI ICDR Regulations. For details, see “**Risk Factors – Internal Risk Factors – 5. One of the entities, Gopinath Dairy Products Private Limited, which is identified as a part of the Promoter Group under the SEBI ICDR Regulations is undergoing liquidation proceedings and accordingly has not provided any information in respect of itself. All information in relation to Gopinath Dairy Products Private Limited included in the DRHP is from publicly available sources. Further, Lallubhai Hargovindas Chitalia, Krishna Lallubhai Chitalia, Rajesh Lallubhai Chitalia, individual members of our Promoter Group, along with Gopinath Dairy Products Private Limited, have been identified as wilful defaulters in their capacity as directors and guarantor of Gopinath Dairy Products Private Limited.**” on page 33.

DIVIDEND POLICY

The Board of Directors shall have the power to recommend final dividend to the Shareholders for their approval in the Annual General Meeting of the Company. Subject to compliance with the provisions of Companies Act, including the rules made thereunder and other relevant regulations as applicable from time to time, if any, the Board of Directors shall also have the absolute power to declare interim dividend during any financial year in which such interim dividend is sought to be declared, as and when they consider it fit in compliance with Company Act, and other relevant regulations as applicable from time to time. The dividend distribution policy of our Company was adopted and approved by our Board in its meeting held on September 22, 2023 (“**Dividend Policy**”).

The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the Shareholders or for any other specific purpose, as approved by the Board of Directors of the Company. In terms of our Dividend Policy, our Board shall consider, *inter alia*, the following internal and external parameters while declaring or recommending dividends to our Shareholders: (i) distributable surplus available as per the Companies Act and Listing Regulations; (ii) profits earned during the financial year; (iii) retained earnings; (iv) earnings outlook; (v) present and future capital expenditure plans / working capital requirements of our Company; (vi) past dividend trends; (vii) any other relevant factors and material events as may be deemed fit by our Board; (viii) dividend pay-out ratios of companies in the same industry; (ix) macro-economic environment – significant changes in macro-economic environment materially affecting the businesses in which our Company is engaged in the geographies in which our Company operates; (x) regulatory changes – introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the business in which the Company is engaged; (xi) technological changes – development in technology which necessitate significant new investments in any of the businesses in which the Company is engaged; (xii) capital markets – dividend pay-out may depend upon the capital market environment and cost of capital to raise fresh funds through alternate resources and (xiii) taxation policy – the tax policy of a country also influenced the dividend policy of a company, the rate of tax directly influences the amount of profits available to the Company for declaring dividends.

Our Company has not declared any dividends during the six months period ended September 30, 2024, and during Fiscal 2024, Fiscal 2023 and Fiscal 2022, and from October 1, 2024, till the date of this Draft Red Herring Prospectus. There is no guarantee that any dividends will be declared or paid of any amount, or with any frequency in the future. For further details in relation to the risks involved, see “**Risk Factors – External Risk Factors – 74. 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 72.

SECTION VI: FINANCIAL INFORMATION
RESTATED CONSOLIDATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors

Gem Aromatics Limited

(Formerly known as Gem Aromatics Private Limited)

A/410, Kailas Complex,

Vikhroli Powai Link Road,

Park Site, Vikhroli(W), Mumbai,

Maharashtra - 400079

Dear Sirs / Madams,

1. We, Chhajed & Doshi, Chartered Accountants (“we” or “us”) have examined the attached Restated Consolidated Financial Information of Gem Aromatics Limited (formerly known as Gem Aromatics Private Limited) (the "**Company**") and its subsidiaries (the Company and its subsidiaries together referred to as the "**Group**"), as annexed to this report, comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Cash Flows, the Restated Consolidated Statement of Changes in Equity for the six months' period ended September 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the Material Accounting Policies and other explanatory information (collectively, the "**Restated Consolidated Financial Information**"), prepared by the Company and as approved by the Board of Directors of the Company at their meeting held on 16th December, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus (the "**DRHP**") 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**”) in connection with the proposed initial public offer of equity shares of face value of ₹ 2 each of the Company (the “**Offering**”), prepared by the Company in connection with its proposed initial public offer of equity shares (the “**IPO**”) prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**ICDR Regulations**"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "**ICAI**"), as amended from time to time (the "**Guidance Note**"), as applicable.
2. The Company's management is responsible for the preparation of the Restated Consolidated Financial Information which have been approved by the Board of Directors for the purpose of inclusion in the DRHP to be filed with the Stock Exchanges in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the Basis of Preparation stated in Note 2.01 of Annexure V to the Restated Consolidated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Group complies with the Companies Act, 2013 (‘**the Act**’), ICDR Regulations and the Guidance Note.
3. We have examined such Restated Consolidated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our

engagement letter dated 16th November, 2024 in connection with the proposed IPO of equity shares of the Company;

- b) The Guidance Note, as applicable. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note, in connection with the IPO.

- 4. These Restated Consolidated Financial Information have been compiled by the management from:
 - a) The audited special purpose interim consolidated financial statements of the Group as at and for the six months' period ended September 30, 2024 prepared in accordance with Indian Accounting Standard (hereinafter referred to as "**Ind AS**") 34 Interim Financial Reporting, as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles accepted in India ("**Special Purpose Interim Consolidated Financial Statements**"), which have been approved by the Board of Directors at their meeting held on 16th December, 2024 ;
 - b) The audited special purpose consolidated financial statements of the Group as at and for the years ended March 31, 2024 (the "**2024 Special Purpose Consolidated Financial Statements**"), March 31, 2023 (the "**2023 Special Purpose Consolidated Financial Statements**") and March 31, 2022 (the "**2022 Special Purpose Consolidated Financial Statements**") (collectively referred to as "**Special Purpose Consolidated Financial Statements**") prepared in accordance with the Indian Accounting Standards ("Ind AS"), prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 16th December, 2024.
- 5. For the purpose of our examination, we have relied on:
 - a) Auditors' report issued by us dated 16th December, 2024 on the Special Purpose Interim Consolidated Financial Statements of the Group as referred in paragraph 4(a) above; which included an Emphasis of Matter paragraph as mentioned below:

"Basis of preparation and restriction on distribution and use

We draw attention to Note 2.01 to the Special Purpose Interim Consolidated Financial Statements, which describes the purpose and Basis of Preparation. The Special Purpose Interim Consolidated Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations"), which will be included in the Draft Red Herring Prospectus ("DRHP") in connection with the proposed initial public Offering of the Company. As a result, the Special Purpose Interim Consolidated Financial Statements may not be suitable for any other purpose. The Special Purpose Interim Consolidated Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated

consolidated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter”.

- b) Auditors' report issued by us dated 16th December, 2024 on the 2024 Special Purpose Consolidated Financial Statements of the Group as referred in paragraph 4(b) above, which included an Emphasis of Matter paragraph as mentioned below:

"Basis of preparation and restriction on distribution and use

We draw attention to Note 2.01 to the 2024 Special Purpose Consolidated Financial Statements, which describes the purpose and Basis of Preparation. The 2024 Special Purpose Consolidated Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the “ICDR Regulations”), which will be included in the Draft Red Herring Prospectus (“DRHP”) in connection with the proposed initial public Offering of the Company. As a result, the 2024 Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. The 2024 Special Purpose Consolidated Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter”.

- c) Auditors' report issued by us dated 16th December, 2024 on the 2023 Special Purpose Consolidated Financial Statements of the Group as referred in paragraph 4(b) above, which included an Emphasis of Matter paragraph as mentioned below:

"Basis of preparation and restriction on distribution and use

We draw attention to Note 2.01 to the 2023 Special Purpose Consolidated Financial Statements, which describes the purpose and basis of preparation. The 2023 Special Purpose Consolidated Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the “ICDR Regulations”), which will be included in Draft Red Herring Prospectus (“DRHP”) in connection with the proposed initial public Offering of the Company. As a result, the 2023 Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. The 2023 Special Purpose Consolidated Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter”.

- d) Auditors' report issued by us dated 16th December, 2024 on the 2022 Special Purpose Consolidated Financial Statements of the Group as referred in paragraph 4(b) above, which included an Emphasis of Matter paragraph as mentioned below:

"Basis of preparation and restriction on distribution and use

We draw attention to Note 2.01 to the 2022 Special Purpose Consolidated Financial Statements, which describes the purpose and basis of preparation. The 2022 Special Purpose Consolidated Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations"), which will be included in Draft Red Herring Prospectus ("DRHP") in connection with the proposed initial public Offering of the Company. As a result, the 2022 Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. The 2022 Special Purpose Consolidated Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter".

6. As indicated in our audit report referred in paragraph 5:
- a. We have not audited the financial statements of 1 wholly owned subsidiary located outside India i.e. Gem Aromatics LLC as at and for the six months' period ended September 30, 2024, as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 whose financial statements reflect total assets, total revenue and net cash outflows/ inflows as tabulated below.

(Amount in Rupees millions)

Particulars	As at /for the six months ended September 30, 2024	As at /for the year ended March 31, 2024	As at /for the year ended March 31, 2023	As at /for the year ended March 31, 2022
Total Assets	199.85	152.27	261.61	181.39
Total Revenue	340.24	508.98	700.04	296.51
Net Cash Inflows/ (Outflows)	3.54	(11.53)	(0.07)	(1.26)

These financial statements have been audited by TDK & Co, Chartered Accountants (the "Other Auditor"), whose reports have been furnished to us by the Management and our opinion on the Special Purpose Interim Consolidated Financial Statements and Special Purpose Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary is based solely on the report of the other auditor.

The Company's management has converted the financial information of Gem Aromatics LLC which is located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. The Other Auditor have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the reports of other auditor and the conversion adjustments prepared by the management of the Company and audited by Other auditor.

- b. The Company's management has converted the financial information of one wholly owned subsidiary located outside India i.e. Gem Aromatics FZ LLC as at and for the period ended June 13, 2024, as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited

these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the Special Purpose Interim Consolidated Financial Statements and Special Purpose Consolidated Financial Statements is not modified in respect of above matters.

7. The Other Auditor i.e. TDK & Co, Chartered Accountants, of the subsidiary i.e. Gem Aromatics LLC, as mentioned in paragraph 6 have examined the restated financial information as at and for the six months' period ended September 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 of the subsidiary on which they have issued examination report dated 16th December, 2024 included in the Restated Consolidated Financial Information for the respective years and have confirmed that the restated financial information of respective entity:
 - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 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, 2024;
 - b) do not require any adjustment for modification as there is no modification in the underlying audit reports;
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination reports, as mentioned in paragraphs 7 above, respectively, we report that the Restated Consolidated Financial Information:
 - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 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, 2024;
 - b) doesn't contain any qualification requiring adjustments. Moreover, those unfavorable remarks, qualifications or adverse remarks in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act and certain instances with respect to feature of recording audit trail (edit log) facility for certain accounting software, pursuant to the requirements of Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 for the year ended March 31, 2024, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VI to the Restated Consolidated Financial Information.
 - c) do not require any adjustment for modification as there is no modification in the underlying audit reports referred in paragraph 5 above. There are items relating to emphasis of matters (refer paragraphs 5(a), 5(b), 5(c) and 5(d) above), which do not require any adjustment to the Restated Consolidated Financial Information; and
 - d) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

10. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Consolidated Financial Statements as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 and six months' period ended September 30, 2024.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI and Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For and behalf of
CHHAJED & DOSHI
Chartered Accountants
ICAI Firm No.: 101794W

CA Abhinav Chhajed
Partner
Membership No.: 196452
UDIN: 24196452BKBQBZ6101
Place: Mumbai
Date: 16th December, 2024

GEM AROMATICS LIMITED

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

Annexure I - Restated Consolidated Statement of Assets and Liabilities

(Amounts in Rupees million unless stated otherwise)

Particulars	Note	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS					
(A) Non-current assets					
(a) Property, plant and equipment	(3)	404.90	402.76	263.26	258.45
(b) Right-of-use assets	(6)	89.79	92.62	94.07	98.82
(c) Capital work in progress	(4)	668.49	303.58	108.72	12.87
(d) Other intangible assets	(5)	1.25	0.65	0.62	0.24
(e) Financial assets					
(i) Investments *	(7)	-	-	0.00	0.00
(ii) Other financial assets	(11)	16.27	8.69	8.88	2.86
(f) Income tax assets		33.05	32.94	29.77	-
(g) Deferred tax assets (Net)	(12)	11.42	11.61	7.32	-
(h) Other non-current assets	(13)	63.76	28.19	1.30	2.71
Total Non-current assets		1,288.93	881.04	513.94	375.95
(B) Current assets					
(a) Inventories	(8)	2,099.74	1,744.77	1,425.06	1,341.33
(b) Financial assets					
(i) Trade receivables	(9)	443.41	453.30	796.36	395.07
(ii) Cash and cash equivalents	(14)	56.54	158.84	105.83	64.98
(iii) Loans	(10)	0.36	0.44	1.40	0.84
(iv) Other financial assets	(11)	12.40	129.64	3.21	9.70
(c) Income tax assets (net)		23.07	-	-	-
(d) Other current assets	(13)	245.43	317.65	111.84	208.91
Total Current assets		2,880.95	2,804.64	2,443.70	2,020.83
Total Assets		4,169.88	3,685.68	2,957.64	2,396.78
EQUITY AND LIABILITIES					
(A) Equity					
(a) Equity share capital	(15)	93.71	93.71	17.85	17.85
(b) Other equity	(16)	2,394.92	2,211.77	1,777.46	1,363.74
Total Equity		2,488.63	2,305.48	1,795.31	1,381.59
(B) Liabilities					
(I) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	(17)	343.95	239.93	2.83	-
(ii) Lease liabilities	(30)	2.42	2.85	4.92	8.41
(b) Provisions	(20)	1.14	-	-	0.42
(c) Deferred tax liabilities (Net)	(12)	-	-	-	0.30
Total Non-current liabilities		347.51	242.78	7.75	9.13
(II) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	(17)	909.55	871.32	890.78	769.21
(ii) Lease liabilities	(30)	2.64	4.90	3.47	3.61
(iii) Trade payables	(18)				
1. Total outstanding dues of micro enterprises and small enterprises		57.12	50.09	22.16	51.26
2. Total outstanding dues of creditors other than micro enterprises and small enterprises		323.96	139.03	189.27	123.58
(iv) Other financial liabilities	(19)	9.94	5.95	32.77	24.04
(b) Other current liabilities	(21)	25.71	35.26	10.14	5.52
(c) Provisions	(20)	0.75	0.96	0.98	-
(d) Current tax liabilities		4.07	29.91	5.01	28.84
Total Current liabilities		1,333.74	1,137.42	1,154.58	1,006.06
Total Equity and Liabilities		4,169.88	3,685.68	2,957.64	2,396.78

* Amount shown as 0.00 million is less than 0.01 million

The above Annexure should be read with the basis of preparation and material accounting policies appearing in Annexure V, notes to the restated consolidated financial information appearing in Annexure V and statement on adjustments to the restated consolidated financial information appearing in Annexure VI.

As per our examination report of even date

For CHHAJED & DOSHI

Chartered Accountants

Firm's Reg. No.: 101794W

For and on behalf of the Board of Directors of

Gem Aromatics Limited

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

CA Abhinav Chhajed

Partner

Membership Number: 196452

Place : Mumbai

Date : 16-12-2024

Vipul Parekh

Chairman & Whole Time Director

DIN : 00235974

Place : Mumbai

Date : 16-12-2024

Yash Parekh

Managing Director & CEO

DIN : 03514313

Place : Mumbai

Date : 16-12-2024

Kaksha Vipul Parekh

Whole Time Director & CFO

DIN : 00235998

Place : Mumbai

Date : 16-12-2024

Pooja Padam Bhandari

Company Secretary

Place : Mumbai

Date : 16-12-2024

GEM AROMATICS LIMITED

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

Annexure II - Restated Consolidated Statement of Profit and Loss

(Amounts in Rupees million unless stated otherwise)

Particulars	Note	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
(1) Income					
(a) Revenue from operations	(22)	2,048.94	4,524.52	4,247.93	3,143.29
(b) Other income	(23)	16.22	17.73	3.00	26.44
Total Income		2,065.16	4,542.25	4,250.93	3,169.73
(2) Expenses					
(a) Cost of materials consumed	(24)	1,659.61	3,444.24	3,165.12	2,717.60
(b) Changes in inventories of finished goods and work-in-progress	(25)	(84.33)	(32.68)	8.71	(335.31)
(c) Employee benefits expense	(26)	62.09	111.34	108.07	93.18
(d) Finance costs	(27)	24.25	62.70	56.40	31.12
(e) Depreciation and amortization expense	(28)	35.28	62.63	47.57	43.31
(f) Other expenses	(29)	116.01	218.08	304.17	176.18
Total Expenses		1,812.91	3,866.31	3,690.04	2,726.08
(3) Profit before tax (1-2)		252.25	675.94	560.89	443.65
(4) Tax expense	(39)				
(a) Current tax		68.72	184.77	121.75	134.70
(b) Deferred tax	(12)	0.28	(4.44)	(7.58)	(2.50)
(c) Tax relating to prior years		-	(5.43)	-	(0.41)
Total Tax expense		69.00	174.90	114.17	131.79
(5) Profit for the period		183.25	501.04	446.72	311.86
(6) Other Comprehensive Income/(Loss)					
(a) Items that will be reclassified to Profit / (Loss)					
(i) Exchange differences on translation of financial statements of foreign operations		0.17	8.70	(33.11)	(5.45)
(b) Items that will not be reclassified subsequently to Profit / (Loss)					
(i) Remeasurement of defined employee benefit		(0.36)	0.58	0.15	0.12
(ii) Tax effect on above		0.09	(0.15)	(0.04)	(0.03)
Total Other Comprehensive Income/(Loss)		(0.10)	9.13	(33.00)	(5.36)
(7) Total Comprehensive Income for the period		183.15	510.17	413.72	306.50
Earnings per share (EPS)	(38)				
(1) Basic EPS*		3.91	10.69	9.53	6.66
(2) Diluted EPS*		3.91	10.69	9.53	6.66

* For the six months period ended September 30, 2024 the Basic and Diluted Earnings per share have been stated as non-annualised.

The above Annexure should be read with the basis of preparation and material accounting policies appearing in Annexure V, notes to the restated consolidated financial information appearing in Annexure V and statement on adjustments to the restated consolidated financial information appearing in Annexure VI.

As per our examination report of even date

For CHHAJED & DOSHI

Chartered Accountants

Firm's Reg. No.: 101794W

For and on behalf of the Board of Directors of

Gem Aromatics Limited

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

CA Abhinav Chhajed

Partner

Membership Number: 196452

Place : Mumbai

Date : 16-12-2024

Vipul Parekh

Chairman & Whole Time Director

DIN : 00235974

Place : Mumbai

Date : 16-12-2024

Yash Parekh

Managing Director & CEO

DIN : 03514313

Place : Mumbai

Date : 16-12-2024

Kaksha Vipul Parekh

Whole Time Director & CFO

DIN : 00235998

Place : Mumbai

Date : 16-12-2024

Pooja Padam Bhandari

Company Secretary

Place : Mumbai

Date : 16-12-2024

GEM AROMATICS LIMITED

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

Annexure III - Restated Consolidated Statement of Cash flows

(Amounts in Rupees million unless stated otherwise)

Particulars	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
(A) Cashflows from operating activities				
Restated Profit before tax	252.25	675.94	560.89	443.65
Adjustment for:				
Depreciation and amortization	35.28	62.63	47.57	43.31
Interest on lease liabilities	0.30	0.91	0.93	1.23
Foreign exchange gain/(loss)	(4.35)	1.19	46.43	(15.12)
Finance Cost	23.96	61.78	55.47	29.89
Interest income on bank deposits	(7.03)	(7.85)	(0.22)	(0.21)
Unrealised Fair value (gain)/loss on forward contracts (Net)	1.28	(8.34)	7.94	(9.27)
Profit/(Loss) on sale of Property, plant and equipment (Net)	(0.82)	0.04	(0.06)	0.28
Operating cash flow before working capital changes	300.87	786.30	718.95	493.76
Adjustment for changes in working capital:				
(Increase) / Decrease in inventories	(354.96)	(319.71)	(83.73)	(387.50)
(Increase) / Decrease in trade receivables	14.23	341.87	(447.68)	(8.04)
(Increase) / Decrease in other assets	145.11	(349.63)	98.38	(58.07)
Increase / (Decrease) in trade payables	191.76	(22.30)	36.59	2.53
Increase / (Decrease) in other liabilities	(4.62)	(1.73)	5.98	16.64
Cash generated from operations	292.39	434.80	328.49	59.32
Taxes paid (Net of refunds)	(117.81)	(158.53)	(175.33)	(111.35)
Net cashflows from operating activities	174.58	276.27	153.16	(52.03)
(B) Cashflows from investing activities				
Purchase of property, plant and equipment and intangible assets	(400.94)	(391.42)	(143.80)	(141.86)
Sale of Property, Plant and Equipment*	1.66	0.00	-	1.51
Interest Income	6.93	7.67	0.22	0.21
Net cashflows from investing activities	(392.35)	(383.75)	(143.58)	(140.14)
(C) Cashflows from financing activities				
Proceeds from Current Borrowings	1,075.34	3,133.89	3,017.06	2,778.93
Repayment of Current Borrowings	(1,036.00)	(3,184.84)	(2,895.48)	(2,566.58)
Proceeds from Non-Current Borrowings (includes current maturities of long term borrowings)	104.03	269.86	4.09	2.83
Repayment of Non-Current Borrowings	(1.12)	(1.28)	(1.26)	-
Interest Paid	(23.77)	(60.38)	(55.47)	(29.90)
Payment of lease liabilities including interest	(3.19)	(5.46)	(4.56)	(4.34)
Net cashflows from financing activities	115.29	151.79	64.38	180.94
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(102.48)	44.31	73.96	(11.23)
Cash and cash equivalents at the beginning of the period	158.84	105.83	64.98	81.66
Effect of exchange rate changes	0.17	8.70	(33.11)	(5.45)
Cash and cash equivalents at the end of the period	56.54	158.84	105.83	64.98
Cash and cash equivalents comprise of:				
Cash on hand	0.65	0.25	1.58	1.00
Balance with banks:				
In current accounts	20.14	2.73	6.05	61.37
In cash credit account	35.75	100.86	98.20	-
In deposit accounts with original maturity of 3 months or less	-	55.00	-	2.61
Total Cash and cash equivalents	56.54	158.84	105.83	64.98

The above Annexure should be read with the basis of preparation and material accounting policies appearing in Annexure V, notes to the restated consolidated financial information appearing in Annexure V and statement on adjustments to the restated consolidated financial information appearing in Annexure VI.

Note :

The cashflow statement has been prepared under the indirect method as set out in Indian Accounting standard (Ind AS 7) 'Statement of cash flows' as specified under section 133 of the Companies Act, 2013.

As per our examination report of even date

For CHHAJED & DOSHI

Chartered Accountants

Firm's Reg. No.: 101794W

For and on behalf of the Board of Directors of

Gem Aromatics Limited

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

CA Abhinav Chhajed

Partner

Membership Number: 196452

Place : Mumbai

Date : 16-12-2024

Vipul Parekh

Chairman & Whole Time Director

DIN : 00235974

Place : Mumbai

Date : 16-12-2024

Yash Parekh

Managing Director & CEO

DIN : 03514313

Place : Mumbai

Date : 16-12-2024

Kaksha Vipul Parekh

Whole Time Director & CFO

DIN : 00235998

Place : Mumbai

Date : 16-12-2024

Pooja Padam Bhandari

Company Secretary

Place : Mumbai

Date : 16-12-2024

GEM AROMATICS LIMITED

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

Annexure IV - Restated Statement of Changes in Equity

(A) Equity share capital

(Amounts in Rupees million unless stated otherwise)

Particulars	Note	Amount
Balance as at April 1, 2024		93.71
Changes in equity share capital during the period	(15)	-
Balance as at September 30, 2024		93.71
Balance as at April 1, 2023		17.85
Changes in equity share capital during the year	(15)	75.86
Balance as at March 31, 2024		93.71
Balance as at April 1, 2022		17.85
Changes in equity share capital during the year	(15)	-
Balance as at March 31, 2023		17.85
Balance as at April 1, 2021		17.85
Changes in equity share capital during the year	(15)	-
Balance as at March 31, 2022		17.85

(B) Other equity

(Amounts in Rupees million unless stated otherwise)

Particulars	Reserve and Surplus			Items of other comprehensive income		Total equity
	General Reserve	Securities Premium	Retained earnings	Remeasurement of defined benefit plans	Exchange differences on translating the financial statements of a foreign operation	
Balance as at April 1, 2024	0.32	401.98	1,846.46	0.63	(37.62)	2,211.77
Add: Profit for the period	-	-	183.25	-	-	183.25
Add/(Less): During the period	-	-	-	(0.27)	0.17	(0.10)
Balance as at September 30, 2024	0.32	401.98	2,029.71	0.36	(37.45)	2,394.92
Balance as at April 1, 2023	0.32	477.84	1,345.42	0.20	(46.32)	1,777.46
Add: Profit for the year	-	-	501.04	-	-	501.04
(Less): Bonus Issue of Equity Share*	-	(75.86)	-	-	-	(75.86)
Add/(Less): During the year	-	-	-	0.43	8.70	9.13
Balance as at March 31, 2024	0.32	401.98	1,846.46	0.63	(37.62)	2,211.77
Balance as at April 1, 2022	0.32	477.84	898.70	0.09	(13.21)	1,363.74
Add: Profit for the year	-	-	446.72	-	-	446.72
Add/(Less): During the year	-	-	-	0.11	(33.11)	(33.00)
Balance as at March 31, 2023	0.32	477.84	1,345.42	0.20	(46.32)	1,777.46
Balance as at April 1, 2021	0.32	477.84	586.84	-	(7.76)	1,057.24
Add: Profit for the year	-	-	311.86	-	-	311.86
Add/(Less): During the year	-	-	-	0.09	(5.45)	(5.36)
Balance as at March 31, 2022	0.32	477.84	898.70	0.09	(13.21)	1,363.74

*Note: The company vide Shareholder Resolution dated July 14, 2023, issued bonus shares in the ratio 17 equity shares for every 4 equity shares by utilising the balance in Securities Premium.

Nature and purpose of reserves

(a) Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium. It can be used only in accordance with provisions of Companies Act, 2013 for specified purposes.

(b) Retained Earnings: Retained earnings are the profits that the Group has earned till date net of appropriations. It is available for distribution to shareholders.

(c) General Reserves: General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed / utilised by the Company in accordance with the Companies Act, 2013

The above Annexure should be read with the basis of preparation and material accounting policies appearing in Annexure V, notes to the restated consolidated financial information appearing in Annexure V and statement on adjustments to the restated consolidated financial information appearing in Annexure VI.

As per our examination report of even date

For CHHAJED & DOSHI
Chartered Accountants
Firm's Reg. No.: 101794W

For and on behalf of the Board of Directors of
Gem Aromatics Limited
(Formerly known as Gem Aromatics Private Limited)
CIN: U24246MH1997PLC111057

CA Abhinav Chhajed
Partner
Membership Number: 196452
Place : Mumbai
Date : 16-12-2024

Vipul Parekh
Chairman & Whole Time Director
DIN : 00235974
Place : Mumbai
Date : 16-12-2024

Yash Parekh
Managing Director & CEO
DIN : 03514313
Place : Mumbai
Date : 16-12-2024

Kaksha Vipul Parekh
Whole Time Director & CFO
DIN : 00235998
Place : Mumbai
Date : 16-12-2024

Pooja Padam Bhandari
Company Secretary
Place : Mumbai
Date : 16-12-2024

GEM AROMATICS LIMITED

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

Annexure V - Notes to the Restated Consolidated financial information

1 Corporate information

Gem Aromatics Limited (formerly known as Gem Aromatics Private Limited) ("the Company") incorporated in India under the provisions of the erstwhile Companies Act 1956 is a Public Limited Company w.e.f August 17, 2023. The registered office of the company is situated in the state of Maharashtra. The Company manufactures essential oil based products and derivatives in India while specializing in products that are derived from mint, clove, eucalyptus and other essential oils which finds application across broad spectrum of end user industries. It carries on manufacturing operations at the plants located at Silvassa (Dadra & Nagar Haveli) Badaun (Uttar Pradesh) and Dahej (Gujarat).

The Restated Consolidated Financial Information is prepared for the company and its subsidiaries together referred to as the "Group".

Name of the Subsidiary	Country of Incorporation	Shareholding for the years/periods	Nature of operations
Gem Aromatics LLC	United States of America	100%	The Company is engaged in the business of general trading of essential oils and aroma chemicals.
Krystal Ingredients Private Limited*	India	100%	The Company is engaged in the business of manufacturing, importing and exporting of natural - like & synthetic oils, aroma chemicals and other related products.
Gem Aromatics FZ LLC#	United Arab Emirates	100%	The Company was engaged in the business of General Trading.

*Subsidiary with effect from April 22, 2021.

#Subsidiary up to June 13, 2024.

2 Material accounting policies

2.01 Basis of preparation

The Restated Consolidated Financial Information of the Group comprises of the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the six months' period ended September 30, 2024 and years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the Summary of Material Accounting Policies and explanatory notes (collectively, the "Restated Consolidated Financial Information").

The Restated Consolidated Financial Information of Group have been prepared to comply in all material respects with the Indian Accounting Standards as prescribed under Section 133 of the Companies Act 2013 ("The Companies Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Companies Act, as applicable, to the consolidated financial statements and other relevant provisions of the Companies Act

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus (the "DRHP") 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") and the Registrar of Companies, in connection with the proposed initial public offer of equity shares of face value of Rs. 2 each of the Company comprising of fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (collectively the "Offering"), to be prepared by the company in connection with its proposed initial public offer of equity shares (the "IPO") prepared in terms of the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, as amended;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note")

These Restated Consolidated Financial Information have been compiled by the management from:

The audited special purpose interim consolidated financial statements of the Group as at and for the six months' period ended September 30, 2024 prepared in accordance with Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting", specified under Section 133 of the Companies Act and other accounting principles accepted in India ("Special Purpose Interim Consolidated Financial Statements"), which have been approved by the Board of Directors at their meeting held on December 16, 2024.

The audited special purpose financial statements of the Group as at and for the years ended March 31, 2024 (the "2024 Special Purpose Consolidated Financial Statements"), March 31, 2023 (the "2023 Special Purpose Consolidated Financial Statements") and March 31, 2022 (the "2022 Special Purpose Consolidated Financial Statements")(collectively referred to as "Special Purpose Consolidated Financial Statements") prepared in accordance with the Indian Accounting Standards ("Ind AS"), prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 16, 2024.

GEM AROMATICS LIMITED

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

Annexure V - Notes to the Restated Consolidated financial information

Special Purpose Consolidated Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information which will be included in DRHP in relation to the proposed IPO, which requires financial statements of all the periods included, to be presented under Ind AS. As such, Special Purpose Consolidated Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Companies Act.

During the year ended March 31, 2024, pursuant to a special resolution passed in extra-ordinary general meeting dated July 14, 2023, shareholders have approved the sub-division of equity shares of the Group from 17,84,858 fully paid up equity shares of face value of ₹10/- each into 89,24,290 fully paid up equity shares of face value ₹2/- each (the "Split") and the issuance of bonus shares to equity shareholders in the ratio of 17:4 (the "Bonus"). As required under Ind AS 33 "Earning per share" the effect of such Bonus / Split is required to be adjusted for the purpose of computing earnings per share for all the periods presented retrospectively. As a result, the effect of the Bonus and Split has been considered in these Restated Consolidated Financial Information for the purpose of calculating of earning per share for all the periods presented (Refer Note 38 of the Restated Consolidated Financial Information)

The restated Consolidated Financial Information is prepared on going concern basis of accounting. The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements as at and for the six months' period ended September 30, 2024.

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting for adoption of the Special Purpose Interim Consolidated Financial Statements and Special Purpose Consolidated Financial Statements.

The Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2024, 2023 and 2022, to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the six months' period ended September 30, 2024, as applicable;

b) do not require any adjustment for modification as there is no modification in the underlying audit reports on the Special Purpose Interim Consolidated Financial Statements and Special Purpose Consolidated Financial Statements.

i) The auditor's report dated December 16, 2024 on the 2024 Special Purpose Consolidated Financial Statements includes following emphasis of matter paragraph:

Emphasis of Matter:

"Basis of preparation and restriction on distribution and use

We draw attention to Note 2.01 to the 2024 Special Purpose Consolidated Financial Statements, which describes the purpose and basis of preparation. The 2024 Special Purpose Consolidated Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations"), which will be included in the Draft Red Herring Prospectus ("DRHP") in connection with the proposed initial public Offering of the Company. As a result, the 2024 Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. The 2024 Special Purpose Consolidated Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter."

ii) The auditor's report dated December 16, 2024 on the 2023 Special Purpose Consolidated Financial Statements includes following emphasis of matter paragraph:

Emphasis of Matter:

"Basis of preparation and restriction on distribution and use

We draw attention to Note 2.01 to the 2023 Special Purpose Consolidated Financial Statements, which describes the purpose and basis of preparation. The 2023 Special Purpose Consolidated Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations"), which will be included in the Draft Red Herring Prospectus ("DRHP") in connection with the proposed initial public Offering of the Company. As a result, the 2023 Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. The 2023 Special Purpose Consolidated Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

GEM AROMATICS LIMITED

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

Annexure V - Notes to the Restated Consolidated financial information

Our opinion is not modified in respect of this matter.”

ii) The auditor’s report dated December 16, 2024 on the 2022 Special Purpose Consolidated Financial Statements includes following emphasis of matter paragraph:

Emphasis of Matter:

“Basis of preparation and restriction on distribution and use

We draw attention to Note 2.01 to the 2022 Special Purpose Consolidated Financial Statements, which describes the purpose and basis of preparation. The 2022 Special Purpose Consolidated Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the “ICDR Regulations”), which will be included in the Draft Red Herring Prospectus (“DRHP”) in connection with the proposed initial public Offering of the Company. As a result, the 2022 Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. The 2022 Special Purpose Consolidated Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.”

The Restated Consolidated Financial Information do not require any adjustments for the above mentioned Emphasis of Matter paragraphs.

These Restated Consolidated Financial Information have been approved by the Board of Directors of the Group on December 16, 2024.

Basis of Measurement

The Restated Consolidated Financial Information have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments). The Restated Consolidated Financial Information are presented in Indian Rupees "INR Million" (Rupees Million) which is also the Group's functional currency. All values are rounded off to nearest two decimals, except when otherwise indicated.

Basis of Consolidation

Restated Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.02 Significant accounting estimates, judgements and assumptions

The preparation of the Group's consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the consolidated financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.

In the process of applying the Group’s accounting policies, management has made the following judgements which have significant effect on the amounts Recognized in the Consolidated financial statements:

a. Useful lives of property, plant and equipment and intangible assets: Determination of the estimated useful life of tangible assets and intangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life specified in Schedule II of the Companies Act, 2013 and also as per management estimate for certain category of assets. Assumption also need to be made, when group assesses, whether as asset may be capitalized and which components of the cost of the assets may be capitalized.

b. Contingencies: Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against group as it is not possible to predict the outcome of pending matters with accuracy.

c. Fair value measurements and valuation processes : Some of the Companies assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Group used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements such as Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Estimation of defined benefit plans: The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligation.

e. Tax expense: Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Group determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

f. Operating lease commitments - Group as lessee: The Group has entered into lease agreement for office premises and leasehold land. The Group has determined based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the asset and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

GEM AROMATICS LIMITED

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

Annexure V - Notes to the Restated Consolidated financial information

2.03 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-refundable taxes and duties, borrowing costs and directly attributable costs of bringing the asset to its present location and condition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of profit and loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

Depreciation

Depreciation on property, plant and equipment is provided on 'Written Down Value' (WDV) method, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Depreciation commences when the assets are ready for their intended use. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Restated Consolidated Statement of profit and loss.

The estimated useful lives are as follows :

Assets	Useful life (years)
Land (Freehold)	-
Building	30
Plant and Machinery	15
Furnitures and Fixtures	10
Electric Installation	10
Lab Equipments	10
Vehicles	8 to 10
Factory/Office Equipment	5
Computers	3 to 6

2.04 Intangible Assets

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses. Amortisation is recognised in profit or loss on a diminishing balance method over the estimated useful lives of respective intangible assets.

The estimated useful lives are as follows :

Assets	Useful life (years)
Computer Software	3 to 6

Intangible assets are amortised in profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.05 Impairment of property, plant and equipment and intangible assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Group's each class of the property, plant and equipment or intangible assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

2.06 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

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2.07 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amount approximates fair value due to short term maturity of these instruments.

The Group recognises the transfer between the levels of fair value hierarchy at the end of the reporting period during which the changes have occurred.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarize accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (Note 33)
- Financial instruments (including those carried at amortized cost) (Note 33)

2.08 Revenue

Revenue from contracts with customers is recognised 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 allocated to that performance obligation.

Sale of products :

Revenue from sale of products is recognised when the control of 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.

Rendering of services:

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Other income:

Revenue in respect of overdue interest, insurance claims, etc. is recognised to the extent the Group is reasonably certain of its ultimate realisation.

Interest / Dividend income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established. Interest from customers on delayed payments are recognised when there is a certainty of realisation.

Export Incentive / Duty drawback :

Export incentives are recognised when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

2.09 Inventories

Inventories are valued at the lower of cost (including purchase cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

Raw materials, packing materials and stores and spares are valued at cost computed on weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Finished goods produced and work-in-progress are carried at lower of net realisable value and cost (including purchase cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition), computed on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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2.10 Taxes

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Income tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Income tax assets and Income tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is recognised using balance sheet approach at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in a year when asset is realised or the liability is expected to be settled based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing Income tax where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11 Foreign Currency translation

Functional and Presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Group.

Transaction and balances

Transactions in foreign currencies are initially recognised in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the reporting date and foreign exchange gain or loss are recognised in profit or loss. The translation of financial statements of the foreign subsidiaries to the Reporting currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for the items mentioned in the Statement of Profit and Loss using the average exchange rate for the respective period. The average exchange rate is arrived at based on the simple average of the closing rates at the end of each month during the given period. The gains or losses resulting from such translation are included in Foreign currency translation reserves under other components of equity.

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.

2.12 Provisions and Contingent Liabilities

Provisions:

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

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2.13 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are attributable to the acquisition of financial asset. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2.08 for Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition

A 'financial asset' is measured at amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortized cost includes loans and other financial assets.

A 'financial asset' is measured at FVOCI if both the following conditions are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes investments in mutual funds. Dividends on such investments are recognised in the statement of profit and loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from a Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset and either
 - (a) the Group has transferred substantially all the risks and rewards of the asset,
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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2.13 Financial Instruments (continued)

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity.

2.14 Leases

The Group's lease asset class consist of leases for office premises and leasehold land. The Group assesses whether a contract contains a lease, at inception of the 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 for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

The Group as a lessee

At the date of commencement of the lease, the Group 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right -of-use asset measured at inception shall comprise of the amount of the initial measurement 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 be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight -line method from the commencement date over the lease term.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group does not have any lease contracts wherein it acts as a lessor.

Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

2.15 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise of cash balances at banks, on hand cash balances and demand deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

In the cash flow statement, cash and cash equivalents includes cash in hand, cash at bank, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

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2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit for the year after deducting any attributable tax thereto for the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

The equity shares of the company has been sub divided from 1,784,858 fully paid up equity shares of face value Rs. 10 into 8,924,290 equity shares of face value Rs. 2 each w.e.f July 14, 2023. Furthermore, 37,928,233 fully paid up equity shares of face value Rs. 2 has been issued as bonus shares in the ratio of 17:4 by utilising the balance in Securities Premium account on July 14, 2023.

2.17 Borrowing costs

Borrowing costs include finance costs calculated using the effective interest method.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

2.18 Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the chief operating decision maker i.e. Mr. Yash Parekh (Managing Director & CEO) evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

2.19 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

During the period, the MCA has notified amendments to Ind AS 116 for sale and lease back transactions and notified new accounting standard Ind-AS 117 Insurance Contracts replacing Ind-AS 104 subsequent to 31.03.2024 but applicable from 01.04.2024.

The above notifications have no impact on the Restated Consolidated Financial Information of the company.

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(3) Property, plant and equipment

(Amounts in Rupees million unless stated otherwise)

Particulars	Land (Freehold)	Buildings	Plant and Machinery	Furnitures and Fixtures	Electrical Installation	Vehicles	Lab equipments	Office Equipments	Computers	Total
Gross carrying amount										
As at April 01, 2024	36.42	165.62	269.83	9.72	10.46	15.64	18.35	5.49	5.31	536.84
Additions	-	0.47	15.79	0.26	0.25	15.68	1.54	0.49	0.72	35.20
Disposals	-	-	-	-	-	(5.87)	-	-	-	(5.87)
As at September 30, 2024	36.42	166.09	285.62	9.98	10.71	25.45	19.89	5.98	6.03	566.17
Accumulated depreciation										
As at April 01, 2024	-	22.84	85.75	2.38	3.57	7.27	5.94	3.02	3.31	134.08
Charge for the period	-	7.33	17.14	0.97	0.91	2.85	1.73	0.61	0.67	32.21
On disposals	-	-	-	-	-	(5.02)	-	-	-	(5.02)
As at September 30, 2024	-	30.17	102.89	3.35	4.48	5.10	7.67	3.63	3.98	161.27
Net carrying amount as at September 30, 2024	36.42	135.92	182.73	6.63	6.23	20.35	12.22	2.35	2.05	404.90
Gross carrying amount										
As at April 01, 2023	36.42	72.27	195.79	1.92	4.93	13.35	8.99	3.21	4.57	341.45
Additions	-	93.35	74.04	7.80	5.53	2.29	9.36	2.29	1.45	196.11
Disposals	-	-	-	-	-	-	-	(0.01)	(0.71)	(0.72)
As at March 31, 2024	36.42	165.62	269.83	9.72	10.46	15.64	18.35	5.49	5.31	536.84
Accumulated depreciation										
As at April 01, 2023	-	11.82	52.82	0.85	2.19	3.73	2.64	1.63	2.51	78.19
Charge for the year	-	11.02	32.93	1.53	1.38	3.54	3.30	1.39	1.48	56.57
On disposals*	-	-	-	-	-	-	-	(0.00)	(0.68)	(0.68)
As at March 31, 2024	-	22.84	85.75	2.38	3.57	7.27	5.94	3.02	3.31	134.08
Net carrying amount as at March 31, 2024	36.42	142.78	184.08	7.34	6.89	8.37	12.41	2.47	2.00	402.76

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(3) Property, plant and equipment (Continued)

(Amounts in Rupees million unless stated otherwise)

Particulars	Land (Freehold)	Building	Plant and Machinery	Furnitures and Fixtures	Electric Installation	Vehicles	Lab equipments	Office Equipments	Computers	Total
Gross carrying amount										
As at April 01, 2022	36.42	67.60	165.35	1.87	4.93	9.98	4.42	2.59	3.54	296.70
Additions	-	4.67	31.01	0.05	-	5.64	4.57	0.62	1.03	47.59
Disposals	-	-	(0.57)	-	-	(2.27)	-	-	-	(2.84)
As at March 31, 2023	36.42	72.27	195.79	1.92	4.93	13.35	8.99	3.21	4.57	341.45
Accumulated depreciation										
As at April 01, 2022	-	5.42	25.36	0.51	1.26	2.52	1.19	0.75	1.24	38.25
Charge for the year	-	6.40	28.00	0.34	0.93	3.30	1.45	0.88	1.27	42.57
On disposals	-	-	(0.54)	-	-	(2.09)	-	-	-	(2.63)
As at March 31, 2023	-	11.82	52.82	0.85	2.19	3.73	2.64	1.63	2.51	78.19
Net carrying amount as at March 31, 2023	36.42	60.45	142.97	1.07	2.74	9.62	6.35	1.58	2.06	263.26
Gross carrying amount										
As at April 01, 2021	36.42	53.34	127.44	1.94	4.75	6.62	4.48	1.07	1.14	237.20
Additions	-	14.26	38.42	0.28	0.18	3.62	-	1.52	2.44	60.72
Disposals	-	-	(0.51)	(0.35)	-	(0.26)	(0.06)	-	(0.04)	(1.22)
As at March 31, 2022	36.42	67.60	165.35	1.87	4.93	9.98	4.42	2.59	3.54	296.70
Accumulated depreciation										
As at April 01, 2021	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	5.42	25.36	0.51	1.26	2.52	1.19	0.75	1.24	38.25
On disposals*	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	5.42	25.36	0.51	1.26	2.52	1.19	0.75	1.24	38.25
Net carrying amount as at March 31, 2022	36.42	62.18	139.99	1.36	3.67	7.46	3.23	1.84	2.30	258.45

* Amount shown as 0.00 million is less than 0.01 million

(i) The Group holds immovable properties in its own name.

(ii) The Group has not revalued its Property, Plant and Equipment during the year.

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Annexure V- Notes to the Restated Consolidated financial information

(4) Capital work in progress

(Amounts in Rupees million unless stated otherwise)

Particulars	Total
As at April 1, 2024	303.58
Incurring during the period*	381.43
Capitalised	(16.52)
As at September 30, 2024	668.49
As at April 1, 2023	108.72
Incurring during the year*	370.04
Capitalised	(175.18)
As at March 31, 2024	303.58
As at April 1, 2022	12.87
Incurring during the year*	131.58
Capitalised	(35.73)
As at March 31, 2023	108.72
As at April 1, 2021	21.52
Incurring during the year*	44.31
Capitalised	(52.96)
As at March 31, 2022	12.87

*Amount included under CWIP are primarily related to Plant and Machinery, Buildings and Furnitures & Fixtures which are under construction.

CWIP Ageing Schedule

(Amounts in Rupees million unless stated otherwise)

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
September 30, 2024	660.54	7.95	-	-	668.49
March 31, 2024	295.77	7.81	-	-	303.58
March 31, 2023	108.72	-	-	-	108.72
March 31, 2022	6.72	6.15	-	-	12.87
Projects temporarily suspended:					
September 30, 2024	-	-	-	-	-
March 31, 2024	-	-	-	-	-
March 31, 2023	-	-	-	-	-
March 31, 2022	-	-	-	-	-

Note : There is no overrun of cost or delay in projects in process as per the Group's plan.

(5) Other intangible Assets

(Amounts in Rupees million unless stated otherwise)

Particulars	Total
Softwares	
Gross carrying amount	
As at April 01, 2024	1.83
Additions	0.84
Disposals	-
As at September 30, 2024	2.67
Amortization	
As at April 01, 2024	1.18
Charge for the period	0.24
On disposals	-
As at September 30, 2024	1.42
Net carrying amount as at September 30, 2024	1.25

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Annexure V- Notes to the Restated Consolidated financial information**Other intangible Assets (Continued)**

(Amounts in Rupees million unless stated otherwise)

Particulars	Total
Gross carrying amount	
As at April 01, 2023	1.38
Additions	0.45
Disposals	-
As at March 31, 2024	1.83
Amortization	
As at April 01, 2023	0.76
Charge for the year	0.42
On disposals	-
As at March 31, 2024	1.18
Net carrying amount as at March 31, 2024	0.65
Gross carrying amount	
As at April 01, 2022	0.75
Additions	0.63
Disposals	-
As at March 31, 2023	1.38
Amortization	
As at April 01, 2022	0.51
Charge for the year	0.25
On disposals	-
As at March 31, 2023	0.76
Net carrying amount as at March 31, 2023	0.62
Gross carrying amount	
As at April 01, 2021	0.37
Additions	0.38
Disposals	-
As at March 31, 2022	0.75
Amortization	
As at April 01, 2021	-
Charge for the year	0.51
On disposals	-
As at March 31, 2022	0.51
Net carrying amount as at March 31, 2022	0.24

(i) The Group has not revalued its Other Intangible Assets during these years.

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Annexure V- Notes to the Restated Consolidated financial information

(6) Right-of-use assets

(Amounts in Rupees million unless stated otherwise)

Particulars	Office Premises	Land (Leasehold)	Total
Gross carrying amount			
As at April 01, 2024	18.73	88.83	107.56
Additions	-	-	-
Disposals	-	-	-
As at September 30, 2024	18.73	88.83	107.56
Accumulated depreciation			
As at April 01, 2024	12.25	2.69	14.94
Charge for the period	2.35	0.48	2.83
On disposals	-	-	-
As at September 30, 2024	14.60	3.17	17.77
Net carrying amount as at September 30, 2024	4.13	85.66	89.79
Gross carrying amount			
As at April 01, 2023	14.54	88.83	103.37
Additions	4.19	-	4.19
Disposals	-	-	-
As at March 31, 2024	18.73	88.83	107.56
Accumulated depreciation			
As at April 01, 2023	7.58	1.72	9.30
Charge for the year	4.67	0.97	5.64
On disposals	-	-	-
As at March 31, 2024	12.25	2.69	14.94
Net carrying amount as at March 31, 2024	6.48	86.14	92.62
Gross carrying amount			
As at April 01, 2022	14.54	88.83	103.37
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2023	14.54	88.83	103.37
Accumulated depreciation			
As at April 01, 2022	3.79	0.76	4.55
Charge for the year	3.79	0.96	4.75
On disposals	-	-	-
As at March 31, 2023	7.58	1.72	9.30
Net carrying amount as at March 31, 2023	6.96	87.11	94.07
Gross carrying amount			
As at April 01, 2021	14.54	-	14.54
Additions	-	88.83	88.83
Disposals	-	-	-
As at March 31, 2022	14.54	88.83	103.37
Accumulated depreciation			
As at April 01, 2021	-	-	-
Charge for the year	3.79	0.76	4.55
On disposals	-	-	-
As at March 31, 2022	3.79	0.76	4.55
Net carrying amount as at March 31, 2022	10.75	88.07	98.82

Particulars	(Amounts in Rupees million unless stated otherwise)			
	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Others				
National Saving Certificate (Investment in Govt. or Trust Securities)*	-	-	0.00	0.00
Total (Non-current)	-	-	0.00	0.00

* Amount shown as 0.00 million is less than 0.01 million

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(8) Inventories				
Raw materials [Refer note (i)]	793.64	545.33	298.97	210.55
Raw materials in transit	66.23	44.51	7.57	-
Semi finished goods	838.73	797.83	606.31	593.13
Finished goods	126.86	117.99	107.55	97.82
Finished goods in transit	262.34	227.78	397.06	428.68
Stores & spares and other materials	11.94	11.33	7.60	11.15
Total Inventories	2,099.74	1,744.77	1,425.06	1,341.33

(i) Inventory of raw materials includes Rs. 10.78 million currently subject to movement restrictions as imposed by Customs Authority.

(ii) During the period ended September 30, 2024 Rs.5.10 million (March 31, 2024 Rs. 9.98 million) was recognised as an expense for inventories carried at net realisable value.

(iii) The mode of valuation of inventories has been stated in note 2.08 of material accounting policies

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(9) Trade receivables				
Unsecured, considered good				
- Related parties (Refer note 32)	0.40	124.93	213.24	26.94
- Others	443.01	328.37	583.12	368.13
Total Trade receivables	443.41	453.30	796.36	395.07

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
September 30, 2024							
Trade receivables							
(i) Undisputed Trade receivables – considered good	304.23	137.12	2.06	-	-	-	443.41
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	304.23	137.12	2.06	-	-	-	443.41

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2024							
Trade receivables							
(i) Undisputed Trade receivables – considered good	286.13	167.17	0.00	-	-	-	453.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	286.13	167.17	0.00	-	-	-	453.30

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2023							
Trade receivables							
(i) Undisputed Trade receivables – considered good	340.49	441.85	9.07	4.95	-	-	796.36
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	340.49	441.85	9.07	4.95	-	-	796.36

March 31, 2022 (Amounts in Rupees million unless stated otherwise)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6	6 months – 1 year	1-2 years	2-3 years	
Trade receivables						
(i) Undisputed Trade receivables – considered good	228.07	107.40	38.85	20.75	-	395.07
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	228.07	107.40	38.85	20.75	-	395.07

(Amounts in Rupees million unless stated otherwise)

Particulars	As at	As at	As at	As at
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
(10) Loans				
<i>Current loans</i>				
Unsecured, considered good				
Loans to employees		0.36	0.34	1.40
Other loans and advances		-	0.10	-
Total Current loans		0.36	0.44	1.40
(11) Other financial assets				
<i>Non-current financial assets</i>				
Unsecured, considered good				
Fixed deposit*		0.12	0.11	0.11
Security deposits		16.15	8.58	8.77
Total Non-current financial assets		16.27	8.69	8.88
*Fixed Deposit has been marked lien toward license registration.				
<i>Current financial assets</i>				
Security deposits		2.23	2.49	3.21
Fixed Deposit*		10.17	126.75	-
Derivative asset - forward contract (measured at fair value through Profit and loss)		-	0.40	-
Total Current financial assets		12.40	129.64	3.21
*Fixed Deposit amounting to Rs. 5.05 million (March 31, 2024 Rs 4.75 million) has been marked lien towards guarantee.				

(12) Deferred tax assets / (liabilities) (Net)

Significant components of deferred tax assets / (liabilities) (Net)				
Deferred tax assets				
Disallowance under section 43B of Income Tax Act, 1961	0.05	5.22	-	-
Difference between book and tax value of property, plant and equipment and intangible assets	2.78	1.32	0.48	-
Provision for gratuity	0.47	0.24	0.25	0.11
Derivative liabilities	-	-	2.00	-
Carryforward losses	8.23	5.15	4.66	1.95
Deferred tax liabilities				
Difference between book and tax value of property, plant and equipment and intangible assets	-	-	-	(2.28)
Lease liabilities and Right to use assets	(0.33)	(0.22)	(0.07)	(0.08)
Derivative assets	0.22	(0.10)	-	-
Total Deferred tax assets / (liabilities)	11.42	11.61	7.32	(0.30)

Movements in deferred tax assets/(liabilities)

(Amounts in Rupees million unless stated otherwise)

Particulars	Disallowance under section 43B of Income Tax Act, 1961	Lease liabilities and Right to	Property, plant & equipme	Provision of gratuity	Derivative liabilities	Carryforward losses	Total
At April 1, 2024	5.22	(0.22)	1.32	0.24	(0.10)	5.15	11.61
(Charged) / Credited							
- to profit or loss	(5.17)	(0.11)	1.46	0.14	0.32	3.08	(0.28)
- to other comprehensive income	-	-	-	0.09	-	-	0.09
At September 30, 2024	0.05	(0.33)	2.78	0.47	0.22	8.23	11.42
At April 1, 2023	-	(0.07)	0.48	0.25	2.00	4.66	7.32
(Charged) / Credited							
- to profit or loss	5.22	(0.15)	0.84	0.14	(2.10)	0.49	4.44
- to other comprehensive income	-	-	-	(0.15)	-	-	(0.15)
At March 31, 2024	5.22	(0.22)	1.32	0.24	(0.10)	5.15	11.61
At April 1, 2022	-	(0.08)	(2.28)	0.11	-	1.95	(0.30)
(Charged) / Credited							
- to profit or loss	-	0.01	2.76	0.10	2.00	2.71	7.58
- to other comprehensive income	-	-	-	0.04	-	-	0.04
At March 31, 2023	-	(0.07)	0.48	0.25	2.00	4.66	7.32
At April 1, 2021	-	(0.22)	(2.98)	0.37	-	-	(2.83)
(Charged) / Credited							
- to profit or loss	-	0.14	0.70	(0.29)	-	1.95	2.50
- to other comprehensive income	-	-	-	0.03	-	-	0.03
At March 31, 2022	-	(0.08)	(2.28)	0.11	-	1.95	(0.30)

(Amounts in Rupees million unless stated otherwise)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(13) Other assets				
<i>Non-Current assets</i>				
Capital advances	62.96	27.39	0.50	2.71
Other receivables	0.80	0.80	0.80	-
Total Non-current assets	63.76	28.19	1.30	2.71
<i>Current assets</i>				
Prepaid expenses	30.08	24.28	28.67	19.13
Advances to vendors	40.93	107.43	30.81	30.55
Balance with Government authorities*	128.70	172.39	50.26	156.66
Interest accrued on Fixed Deposits	40.35	5.65	0.02	0.04
Other Receivables	5.37	7.90	2.08	2.53
Total Current assets	245.43	317.65	111.84	208.91
*Balance with Government authorities includes MEIS licence stock and export incentive receivable				
(14) Cash and cash equivalents				
Cash on hand	0.65	0.25	1.58	1.00
Balances with scheduled banks				
- In current accounts	20.14	2.73	6.05	61.37
- In cash credit account	35.75	100.86	98.20	-
- In fixed deposit	-	55.00	-	2.61
Total Cash and cash equivalents	56.54	158.84	105.83	64.98

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Annexure V- Notes to the Restated Consolidated financial information

(Amounts in Rupees million unless stated otherwise)

Particulars	As at	As at	As at	As at
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
(15) Equity share capital				
<i>Authorised</i>				
70,000,000 equity shares of face value Rs. 2 each (March 31, 2024 : 70,000,000 equity shares of face value Rs. 2 each, March 31, 2023 : 18,50,000 equity shares of face value Rs. 10 each, March 31, 2022 : 18,50,000 equity shares of face value Rs. 10 each)	140.00	140.00	18.50	18.50
1,000,000 preference shares of face value Rs. 10 each (March 31, 2024 : 1,000,000 preference shares of face value Rs. 10 each , March 31, 2023 : Nil , March 31, 2022 : Nil)	10.00	10.00	-	-
	150.00	150.00	18.50	18.50
<i>Issued, subscribed and fully paid-up</i>				
46,852,523 equity share of face value Rs.2 each fully paid up March 31, 2024 : 46,852,523 equity share of face value Rs.2 each fully paid up March 31, 2023 : 1,784,858 equity share of face value Rs.10 each fully paid up, March 31, 2022 : 1,784,858 equity share of face value Rs.10 each fully paid up)	93.71	93.71	17.85	17.85
	93.71	93.71	17.85	17.85

Note: The company vide Shareholder Resolution dated July 14, 2023 sub divided equity shares of the company from 17,84,858 fully paid equity shares of face value Rs. 10 into 89,24,290 fully paid equity shares of face value Rs 2 each. Furthermore, 3,79,28,233 fully paid up equity shares of face value Rs 2 each has been issued as bonus shares on July 14, 2023 in the ratio of 17:4 by utilising the balance in securities premium account.

Note: Vide Shareholder Resolution dated November 8, 2023 , the company has altered its Authorized Share Capital from 75,000,000 equity shares of face value Rs. 2 each to 70,000,000 equity shares of face value Rs. 2 each and 1,000,000 preference shares of face value Rs. 10 each.

(a) Reconciliation of shares outstanding at the beginning and at the end of the period

Particulars	As at		As at		As at		As at	
	September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Number of shares	Amount (in Rupees Millions)	Number of shares	Amount (in Rupees Millions)	Number of shares	Amount (in Rupees Millions)	Number of shares	Amount (in Rupees Millions)
<i>Equity shares</i>								
At the commencement of the period	4,68,52,523	93.71	17,84,858	17.85	17,84,858	17.85	17,84,858	17.85
Increase in shares on account of subdivision*	-	-	71,39,432	-	-	-	-	-
Bonus shares issued during the period**	-	-	3,79,28,233	75.86	-	-	-	-
At the end of the period	4,68,52,523	93.71	4,68,52,523	93.71	17,84,858	17.85	17,84,858	17.85

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(b) Particulars of shareholders holding more than 5% shares of a class of shares

Particulars	As at September 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	% of total shares in the class	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class	Number of shares
Equity shares of Rs. 2 each fully paid-up held by								
Vipul Parekh	26.58%	1,24,51,475	26.58%	1,24,51,475	36.39%	6,49,580	36.39%	6,49,580
Doterra Enterprises, SARL	25.00%	1,17,13,144	25.00%	1,17,13,144	25.00%	4,46,215	25.00%	4,46,215
Yash Parekh	13.07%	61,25,797	13.07%	61,25,797	19.48%	3,47,650	19.48%	3,47,650
Kaksha Vipul Parekh	12.73%	59,62,092	12.73%	59,62,092	19.13%	3,41,413	19.13%	3,41,413
Parekh Family Trust	22.62%	1,06,00,000	22.62%	1,06,00,000	0.00%	-	0.00%	-

(c) Details of shares held by promoters
As at September 30, 2024

Promoter Name	No. of shares at the beginning of the period	Change during the period	No. of shares at the end of the period	% of Total Shares	% change during the period
Vipul Parekh	1,24,51,475	-	1,24,51,475	26.58%	(0.00%)
Yash Parekh	61,25,797	-	61,25,797	13.07%	(0.00%)
Kaksha Vipul Parekh	59,62,092	-	59,62,092	12.73%	(0.00%)
Parekh Family Trust	1,06,00,000	-	1,06,00,000	22.62%	(0.00%)
Total	3,51,39,364	-	3,51,39,364	75.00%	

As at March 31, 2024

Promoter Name	No. of shares at the beginning of the period	Change during the period	No. of shares at the end of the period	% of Total Shares	% change during the period
Vipul Parekh	6,49,580	1,18,01,895	1,24,51,475	26.58%	(26.98%)
Yash Parekh	3,47,650	57,78,147	61,25,797	13.07%	(33.87%)
Kaksha Vipul Parekh	3,41,413	56,20,679	59,62,092	12.73%	(33.47%)
Parekh Family Trust	-	1,06,00,000	1,06,00,000	22.62%	100.00%
Total	13,38,643	3,38,00,721	3,51,39,364	75.00%	

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Vipul Parekh	6,49,580	-	6,49,580	36.39%	0.00%
Yash Parekh	3,47,650	-	3,47,650	19.48%	0.00%
Kaksha Vipul Parekh	3,41,413	-	3,41,413	19.13%	0.00%
Total	13,38,643	-	13,38,643	75.00%	

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Vipul Parekh	6,49,580	-	6,49,580	36.39%	0.00%
Yash Parekh	3,29,104	18,546	3,47,650	19.48%	1.04%
Kaksha Vipul Parekh	3,05,748	35,665	3,41,413	19.13%	2.00%
Vipul Nathalal Parekh HUF	54,211	(54,211)	-	0.00%	(3.04%)
Total	13,38,643	-	13,38,643	75.00%	-

GEM AROMATICS LIMITED

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

Annexure V- Notes to the Restated Consolidated financial information

(d) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs 2 per share w.e.f July 14, 2023. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Except as stated in note under 15 (a) there were no shares allotted pursuant to contract without payment being received in cash or as fully paid up by way of bonus shares or any shares bought back.

(f) There are no unpaid calls from any director or officer.

(g) No dividend is declared by the Group during the six months period ended September 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 .

(Amounts in Rupees million unless stated otherwise)

Particulars	As at	As at	As at	As at
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
(16) Other equity				
General Reserve	0.32	0.32	0.32	0.32
Securities Premium	401.98	401.98	477.84	477.84
Retained Earnings	2,029.71	1,846.46	1,345.42	898.70
Foreign Currency Translation Reserve	(37.45)	(37.62)	(46.32)	(13.21)
Other Comprehensive Income	0.36	0.63	0.20	0.09
Total Other equity	2,394.92	2,211.77	1,777.46	1,363.74
Movement of other equity				
General Reserve				
At the commencement of the period	0.32	0.32	0.32	0.32
Add: Transferred from Retained earnings	-	-	-	-
At the end of the year	0.32	0.32	0.32	0.32
Securities Premium				
At the commencement of the period	401.98	477.84	477.84	477.84
Less: Utilised during the period*	-	(75.86)	-	-
At the end of the period	401.98	401.98	477.84	477.84
Retained Earnings				
At the commencement of the period	1,846.46	1,345.42	898.70	586.84
Add: Profit for the period	183.25	501.04	446.72	311.86
At the end of the period	2,029.71	1,846.46	1,345.42	898.70
FCTR				
At the commencement of the period	(37.62)	(46.32)	(13.21)	(7.76)
Add/(Less): During the period	0.17	8.70	(33.11)	(5.45)
At the end of the period	(37.45)	(37.62)	(46.32)	(13.21)
OCI				
At the commencement of the period	0.63	0.20	0.09	-
Add: During the period	(0.27)	0.43	0.11	0.09
At the end of the period	0.36	0.63	0.20	0.09

*Note: The company vide Shareholder Resolution dated July 14, 2023, issued bonus shares in the ratio 17 equity shares for every 4 equity shares by utilising the balance in Securities Premium.

(Amounts in Rupees million unless stated otherwise)

Particulars	As at	As at	As at	As at
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
(17) Borrowings				
Non-Current				
Secured:				
- Banks - Term loans	343.95	239.93	2.83	-
Total Non-current borrowings	343.95	239.93	2.83	-
Current				
Loans payable on demand from :				
Secured:				
- Banks - Working capital demand loans	-	-	-	60.65
- Cash Credit/ Overdraft from Scheduled Bank	-	-	-	22.85
- Export Packing Credit from Scheduled Bank*	637.68	670.15	512.92	477.81
- Post-Shipment Packing Credit from Scheduled Bank	80.91	168.67	376.79	207.90
- Current maturities of long-term debt	190.96	32.50	1.07	-
Total Current borrowings	909.55	871.32	890.78	769.21

Refer note 35 on details of security nature of payment and indicative interest rate against respective loans.

* Includes interest accrued but not due on borrowings.

(18) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises (Refer note 42)	57.12	50.09	22.16	51.26
- Total outstanding dues of creditors other than micro enterprises and small enterprises	323.96	139.03	189.27	123.58
Total Trade payables	381.08	189.12	211.43	174.84

Trade Payables ageing schedule

September 30, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	unbilled dues	Not due	Less than 1	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises*	2.10	13.51	41.51	-	0.00	-	57.12
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9.28	231.56	82.52	0.60	-	-	323.96
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	11.38	245.07	124.03	0.60	0.00	-	381.08

March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	unbilled dues	Not due	Less than 1	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	2.09	19.55	28.36	0.09	-	-	50.09
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	44.46	46.53	47.28	0.21	0.55	-	139.03
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	46.55	66.08	75.64	0.30	0.55	-	189.12

March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	unbilled dues	Not due	Less than 1	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	1.72	1.55	18.10	0.79	-	-	22.16
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3.03	145.79	38.67	1.44	0.34	-	189.27
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	4.75	147.34	56.77	2.23	0.34	-	211.43

Particulars	(Amounts in Rupees million unless stated otherwise)						Total
	Outstanding for following periods from due date of payment						
	unbilled dues	Not due	Less than 1	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises *	1.50	7.91	41.85	0.00	-	-	51.26
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3.27	73.17	27.86	19.28	-	-	123.58
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	4.77	81.08	69.71	19.28	-	-	174.84

* Amount shown as 0.00 million is less than 0.01 million

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(19) Other financial liabilities				
Current financial liabilities				
Derivative liability - forward contract (Measured at fair value through profit and loss)	0.88	-	7.94	-
Employee related obligations	9.06	5.95	24.83	24.04
Total Current financial liabilities	9.94	5.95	32.77	24.04
(20) Provisions				
Non-current provisions				
Gratuity (Refer note 31)	1.14	-	-	0.42
Total Non-current provisions	1.14	-	-	0.42
Current provisions				
Gratuity (Refer note 31)	0.75	0.96	0.98	-
Total current provisions	0.75	0.96	0.98	-
(21) Other liabilities				
Current liabilities				
Advances from Customer	21.22	29.11	6.18	2.87
Statutory dues payable	3.47	4.49	3.96	2.65
Others	1.02	1.66	-	-
Total Current liabilities	25.71	35.26	10.14	5.52

Particulars	Six months	Year ended	Year ended	Year ended
	Period ended September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
(22) Revenue from operations				
a) Sale of products				
- Domestic	1,156.22	2,228.43	1,529.49	1,274.36
- Export	854.30	2,241.86	2,663.33	1,837.59
	2,010.52	4,470.29	4,192.82	3,111.95
b) Other Operating revenues				
- Export Incentive	20.27	40.52	33.61	27.44
- Job Work Revenue	-	-	3.10	1.52
- Others	18.15	13.71	18.40	2.38
	38.42	54.23	55.11	31.34
Total Revenue from operations	2,048.94	4,524.52	4,247.93	3,143.29
(23) Other income				
Interest on :				
- Bank deposits	6.93	7.67	0.07	0.04
- Unwinding of security deposits	0.10	0.18	0.15	0.14
- Others	-	-	-	0.04
Foreign exchange gain (net)	4.35	-	-	15.12
Profit on sale of Property Plant & equipment	0.82	-	0.06	-
Gain on derivative forwards measured through profit and loss	-	8.34	-	9.27
Liabilities no longer required written back	0.64	0.52	0.54	1.22
Miscellaneous income	3.38	1.02	2.18	0.61
Total Other income	16.22	17.73	3.00	26.44
(24) Cost of material consumed				
Raw material at the beginning of the period	589.83	306.54	210.55	163.73
<u>Add: Purchases</u>	<u>1,929.66</u>	<u>3,727.53</u>	<u>3,261.11</u>	<u>2,764.42</u>
<u>Less: Raw material at the end of the period</u>	<u>(859.88)</u>	<u>(589.83)</u>	<u>(306.54)</u>	<u>(210.55)</u>
Cost of raw material consumed	1,659.61	3,444.24	3,165.12	2,717.60
(25) Changes in inventories of finished goods and work-in-progress				
At the beginning of the period				
Finished goods	117.99	107.55	97.82	178.57
Finished goods in transit	227.78	397.06	428.68	151.87
Work - in - progress	797.83	606.31	593.13	453.88
	[A] 1,143.60	1,110.92	1,119.63	784.32
At the end of the period				
Finished goods	126.86	117.99	107.55	97.82
Finished goods in transit	262.34	227.78	397.06	428.68
Work - in - progress	838.73	797.83	606.31	593.13
	[B] 1,227.93	1,143.60	1,110.92	1,119.63
Change	[A-B] (84.33)	(32.68)	8.71	(335.31)
(26) Employee benefits expenses				
Salaries, wages and bonus	59.62	107.11	104.82	90.21
Gratuity expense (Refer note 31)	0.57	1.06	0.74	0.62
Contribution to provident and other funds (Refer note 31)	1.38	2.42	1.96	1.82
Staff welfare expense	0.52	0.75	0.55	0.53
Total Employee benefits expenses	62.09	111.34	108.07	93.18
(27) Finance costs				
Interest on :				
- lease liabilities (Refer note 30)	0.30	0.91	0.93	1.23
- Working capital demand loan	18.38	52.64	49.39	25.32
- Term loan#	3.81	3.84	0.20	0.10
- Statutory dues*	0.00	0.08	0.02	-
- Others*	0.19	3.32	0.19	0.00
Other finance cost (Processing fees and other related cost)	1.57	1.91	5.67	4.47
Total Finance cost	24.25	62.70	56.40	31.12
* Amount shown as 0.00 million is less than 0.01 million				
# For the period ended September 30, 2024 and financial year ended March 31, 2024, the amount is net off interest capitalised.				
Note: Rate for capitalisation of interest relating to specific borrowing was 8.62% p.a for the period ended September 30, 2024 and financial year ended March 31, 2024				
(28) Depreciation and amortization expense				
Depreciation of property, plant and equipment (Refer note 3)	32.21	56.57	42.57	38.25
Amortization of Right-Of-Use assets (Refer note 6)	2.83	5.64	4.75	4.55
Amortization of Intangible assets (Refer note 5)	0.24	0.42	0.25	0.51
Total Depreciation and amortization expense	35.28	62.63	47.57	43.31

Particulars	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
(29) Other expenses				
Consumption of Packing Materials and Stores & Spare parts	19.35	39.63	43.56	37.97
Power and fuel	14.73	37.34	30.65	31.27
Insurance charges	6.39	11.39	9.08	7.87
Rates and Taxes	4.23	6.18	9.11	0.06
Security charges	2.21	5.07	2.47	2.14
Repairs and Maintenance :				
-Factory	3.50	1.90	1.68	1.10
-Others	2.40	2.86	2.50	3.54
Selling & Distribution Expense	34.06	55.14	91.07	57.31
Foreign exchange loss (Net)	-	1.19	46.43	-
Loss on Derivative forwards measured through profit and loss	1.28	-	7.94	-
Legal and professional charges	7.29	23.34	26.09	14.46
Travelling and Conveyance	3.83	6.16	9.27	3.41
Corporate Social Responsibility	5.57	8.70	6.45	2.68
Auditor's Remuneration (Refer note 29.1 below)	0.96	1.72	1.61	1.79
Loss on Sale of Property Plant & Equipment / written off	-	0.04	-	0.28
Miscellaneous expenses	10.21	17.42	16.26	12.30
Total Other expenses	116.01	218.08	304.17	176.18
(29.1) Payment to auditor :				
(i) Statutory Audit fees	0.48	0.95	0.95	0.95
(ii) Tax Audit	0.25	0.30	0.30	0.30
(iii) Other Services	0.23	0.47	0.36	0.54
Total Payment to auditor	0.96	1.72	1.61	1.79

Note: During the financial year ended March 31, 2024, the auditor was also paid Rs 1.5 million for services rendered with respect to Initial Public Offering("IPO"). The same has been treated as Prepaid expense under other current assets, since the same shall be distributed as per the "Basis of allocation of IPO expenses".

GEM AROMATICS LIMITED*(Formerly known as Gem Aromatics Private Limited)*

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Annexure V- Notes to the Restated Consolidated financial information**(30) Leases****Operating lease****Group as lessee**

The Group has entered into cancellable leasing arrangement in respect of office premises and leasehold land. From period beginning April 01, 2021 the Group has entered into long term lease arrangement.

Ind AS 116 - Lease liabilities

(Amounts in Rupees million unless stated otherwise)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current	2.42	2.85	4.92	8.41
Current	2.64	4.90	3.47	3.61
Total	5.06	7.75	8.39	12.02

(i) Movement in Lease liabilities:

(Amounts in Rupees million unless stated otherwise)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening Balance	7.75	8.39	12.02	-
Add: Addition made during the period	-	4.09	-	15.13
Add: Finance cost accrued during the period	0.30	0.91	0.93	1.23
Less: Payment of Lease Liabilities	(2.99)	(5.64)	(4.56)	(4.34)
Closing Balance	5.06	7.75	8.39	12.02

(ii) The contractual maturities of Lease liabilities are as under on undiscounted basis:

(Amounts in Rupees million unless stated otherwise)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Payable within one year	2.74	5.15	4.79	4.56
Payable later than one year and not later than five years	2.61	3.18	4.15	8.94

(iii) Lease payments recognized for short term leases in Statement of Profit and Loss	0.59	1.14	0.45	0.05
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The Group 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.

(31) Employee benefits

(a) Defined contribution plan

The Group has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees as per regulations. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Group is limited to the amount contributed and it has neither further contractual nor any constructive obligation.

(Amounts in Rupees million unless stated otherwise)

Particulars	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to provident fund	1.38	2.42	1.96	1.82
Included in 'Contribution to provident fund under employee benefits expense (Refer Note 26)				

(b) Defined benefit plans

Gratuity:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a unfunded plan and the Group makes contribution to recognised funds in India.

Actuarial Assumptions

Particulars	Six months Period ended September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount rate	6.90%	7.10%	7.20%	6.50%
Future salary increases	5.00%	5.00%	5.00%	5.00%
Expected Return on Plan Assets	6.90%	7.20%	6.50%	6.10%
Attrition rate	10.00%	10.00%	10.00%	10.00%
Mortality rate	IALM 2012-14(Ult)	IALM 2012-14(Ult)	IALM 2012-14(Ult)	IALM 2012-14(Ult)

Notes:

- Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

The amounts recognised in the balance sheet and movements in the net defined benefit obligation (DBO) over the period are as follows :

(Amounts in Rupees million unless stated otherwise)

Change in the present value of obligation	Six months Period ended September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Present value of net obligation at the beginning of the period	0.96	0.98	0.42	1.49
Net interest	0.17	0.31	0.03	0.04
Liability transfer out on account of slump sale	-	-	-	-
Current service cost	0.53	1.00	0.71	0.58
Past service cost	-	-	-	-
Benefits paid	-	-	-	-
Contribution to plan assets	-	(0.51)	(0.02)	(1.58)
Return on plan assets	(0.13)	(0.25)	0.02	0.02
Remeasurement due to				
- Actuarial (loss)/gain arising from change in financial assumptions	0.10	(0.58)	(0.19)	(0.09)
- Actuarial loss arising on account of experience changes	0.24	-	0.02	(0.05)
- Actuarial loss arising on account of demographical assumptions	-	-	-	-
Present value of obligation at the end of the period	1.89	0.96	0.98	0.42

(Amounts in Rupees million unless stated otherwise)

Amount recognised in the statement of profit and loss	Six months Period ended September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current service cost	0.54	1.00	0.71	0.58
Net interest	0.03	0.06	0.03	0.04
Total expense recognized in the statement of profit and loss	0.57	1.06	0.74	0.62
Amount recognised in the other comprehensive income	Six months Period ended September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Actuarial (loss)/gain arising from change in financial assumptions	(0.10)	0.62	0.19	0.09
Actuarial (loss)/gain arising from experience over past period	(0.24)	-	(0.02)	0.05
Return on plan assets, excluding amount included in net interest on net defined benefit liability/(assets)	(0.02)	(0.04)	(0.02)	(0.02)
Total amount recognised in the other comprehensive income	(0.36)	0.58	0.15	0.12

(c) Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is:

Particulars	Six months Period ended September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount rate (Increases 1%)	(0.33)	(0.27)	(0.24)	(0.21)
Discount rate (Decreases 1%)	0.37	0.30	0.27	0.23
Salary increase rate (Increases 1%)	0.30	0.23	0.28	0.23
Salary increase rate (Decreases 1%)	(0.27)	(0.21)	(0.25)	(0.21)
Withdrawal Rate (Increases 1%)	0.02	0.02	0.01	(0.00)
Withdrawal Rate (Decreases 1%)	(0.02)	(0.03)	(0.01)	0.00

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice it is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumption used in preparing the sensitivity analysis did not change compared to previous period.

GEM AROMATICS LIMITED
(Formerly known as Gem Aromatics Private Limited)
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Annexure V- Notes to the Restated Consolidated financial information

(32) Related party transactions

(a) Related parties

(i) Subsidiary Companies and their holdings

Sr. No	Name of the party	% of Holding as at			
		September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1	Gem Aromatics LLC	100.00%	100.00%	100.00%	100.00%
2	Krystal Ingredients Private Limited (w.e.f. April 22, 2021)	100.00%	100.00%	100.00%	100.00%
3	Gem Aromatics FZ LLC (w.e.f. April 22, 2021 - upto June 13, 2024)	100.00%	100.00%	100.00%	100.00%

(ii) Entities in which Directors are interested

Sr. No	Name of the party
1	Doterra Global Limited (formerly known as Lee River Holdings Limited) ("Doterra Group")
2	Doterra International LLC ("Doterra Group")
3	Gem Foundation
4	Sanskriti Welfare Trust
5	Parekh Family Trust

Note: During the period for which the Restated Financial Information have been prepared, the name of now Doterra Global Limited had undergone two revisions. Doterra GH Ireland Limited (Original name) was changed to Lee River Holdings Limited which inturn changed

(iii) Key managerial personnel & Close members

Sr. No	Particulars	Nature of relationship
1	Yash Parekh	Managing Director & CEO
2	Vipul Parekh	Chairman & Whole Time Director
3	Kaksha Vipul Parekh	Whole Time Director & CFO
4	Vruta Yash Parekh	Close member of KMP
5	Dinesh TV (w.e.f. September 21, 2023)	Chief Operating Officer
6	Blessy Dinesh Thekkepanakkal (w.e.f. September 21, 2023)	Close member of KMP
7	Shaila Sachin Ghangurde (w.e.f. March 29, 2023 - Up to April 27, 2024)	Company Secretary & Compliance Officer
8	Pooja Padam Bhandari (w.e.f. July 31, 2024)	Company Secretary & Compliance Officer
9	Shrenik Kishorbhai Vora (w.e.f. September 21, 2023)	Independent Director
10	Ajay Sahai (w.e.f. September 21, 2023)	Independent Director
11	Parag Ratnakar Gogate (w.e.f. September 21, 2023)	Independent Director
12	Vishakha Hari Bhagvat (w.e.f. November 07, 2023)	Independent Director
13	Shubhangi Bhalchandra Umbarkar (w.e.f. December 17, 2023)	Independent Director
14	Corey B Lindley (up to November 7, 2023)	Nominee Director
15	Sean M Poynter (up to July 9, 2024)	Nominee Director

(b) Transactions

(Amounts in Rupees million unless stated otherwise)

Sr. No	Nature of Transaction	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
1	Remuneration				
	Kaksha Vipul Parekh	6.94	12.07	10.49	9.13
	Vipul Parekh	6.94	12.07	10.49	9.13
	Yash Parekh**	6.94	12.07	30.96	30.11
	Dinesh TV				
	- Short term employee benefits	2.70	2.12	-	-
	- Contribution to provident funds	0.01	0.02	-	-
	Shaila Sachin Ghangurde				
	- Short term employee benefits *	0.07	0.88	0.00	-
	- Contribution to provident funds*	0.00	0.02	-	-
	Pooja Padam Bhandari				
	- Short term employee benefits	0.29	-	-	-
	- Contribution to provident funds	0.01	-	-	-

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Annexure V- Notes to the Restated Consolidated financial information

(Amounts in Rupees million unless stated otherwise)

Sr. No	Nature of Transaction	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
	Blessy Dinesh Thekkepanakal				
	- Short term employee benefits	-	0.43	-	-
	- Contribution to provident funds*	-	0.00	-	-
	Vruta Yash Parekh				
	- Short term employee benefits	0.15	0.29	0.22	0.24
	- Contribution to provident funds	0.01	0.01	0.01	0.01
2	Advances given				
	Kaksha Vipul Parekh	-	-	-	7.20
	Vipul Parekh	-	-	-	3.00
3	Advance salary				
	Yash Parekh	-	-	-	4.98
4	Revenue from operations				
	Doterra Global Limited	1.54	854.57	860.97	492.51
5	Purchase				
	Doterra Global Limited	0.53	-	-	-
6	Payment of Lease Liabilities				
	Kaksha Vipul Parekh	1.21	2.35	2.21	2.10
	Vipul Parekh	1.29	2.51	2.35	2.24
7	Expenses incurred by directors on behalf of the company				
	Kaksha Vipul Parekh	-	-	-	0.10
	Vipul Parekh*	-	-	-	0.27
	Yash Parekh	-	-	-	-
8	Donations Given				
	Gem Foundation	-	1.30	-	-
9	Reimbursement of Expenses				
	Vipul Parekh	-	0.06	0.19	-
	Kaksha Vipul Parekh	-	-	0.01	-
	Yash Parekh	-	-	0.53	-
10	Corporate Social Responsibility Expense				
	Gem Foundation	3.94	-	-	-
	Sanskriti Welfare Trust	0.10	0.46	-	-
11	Repayment of advance given				
	Dinesh TV	-	0.20	-	-
12	Advance Received				
	Dottera International LLC	-	1.66	-	-
13	Director Sitting Fees				
	Shrenik Kishorbhai Vora	0.13	0.20	-	-
	Ajay Sahai	0.10	0.15	-	-
	Parag Ratnakar Gogate	0.08	0.08	-	-
	Vishakha Hari Bhagvat	0.10	0.13	-	-
	Shubhangi Bhalchandra Umbarkar	0.05	0.08	-	-
14	Guarantees and collaterals				
	(i) Guarantees given by the directors on behalf of the company				
	(a) Kaksha Vipul Parekh	-	-	-	256.21
	(b) Vipul Parekh	-	-	-	256.21
	(c) Yash Parekh	-	-	789.85	256.21

* Amount shown as 0.00 million is less than 0.01 million

**Inclusive of Incentive

GEM AROMATICS LIMITED*(Formerly known as Gem Aromatics Private Limited)*

CIN: U24246MH1997PLC111057

Annexure V- Notes to the Restated Consolidated financial information**(b) Balances**

(Amounts in Rupees million unless stated otherwise)

Sr no.	Balances	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1	Employee related obligation				
	Yash Parekh	-	-	20.46	20.92
	Vipul Parekh	-	-	-	-
	Kaksha Vipul Parekh	-	-	-	-
	Vruta Yash Parekh	0.02	0.02	0.03	0.03
	Dinesh TV	0.33	0.32	-	-
	Blessy Dinesh Thekkepanakkal	-	-	-	-
	Shaila Sachin Ghangurde	-	0.07	0.00	-
	Pooja Padam Bhandari	0.07	-	-	-
2	Trade Receivables				
	Doterra Global Limited	0.40	124.93	213.24	26.96
3	Other financial assets				
	Yash Parekh	-	-	0.19	-
4	Other Financial Liabilities				
	Doterra International LLC	1.02	1.66	-	-
5	Current Financial Assets - Security Deposit				
	Kaksha Vipul Parekh	0.96	0.92	0.84	-
	Vipul Parekh	1.03	0.98	0.90	-
6	Director Sitting Fees Payable				
	Shrenik Kishorbhai Vora	0.03	0.02	-	-
	Vishakha Hari Bhagvat	0.03	0.02	-	-
	Ajay Sahai	0.03	-	-	-
7	Guarantees and collaterals				
	(i) Guarantees given by the directors on behalf of the company				
	(a) Kaksha Vipul Parekh	-	-	-	256.21
	(b) Vipul Parekh	-	-	-	256.21
	(c) Yash Parekh	-	-	789.85	256.21

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end/ period end are unsecured and will be settled in cash.

Directors of the Company and entities where they have significant influence have given personal and corporate guarantee towards the loans availed from financial institutions by the Group, details of the same are disclosed under note 35.

(c) Disclosure as per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations:

The following are the details of the transactions and balances eliminated during the year ended 31 March 2024, 31 March 2023 and 31 March 2022 and for the six months ended September 30, 2024

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Annexure V- Notes to the Restated Consolidated financial information

(1) Gem Aromatics Limited (formerly known as Gem Aromatics Private Limited)

(Amounts in Rupees million unless stated otherwise)

Sr. No	Nature of Transaction	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
1	Gem Aromatics LLC				
	Transactions				
	Sale of Products	299.52	457.62	564.27	155.67
	IHM Income	2.26	2.77	6.67	8.74
	Balances				
	Trade receivable	64.71	69.65	200.06	156.59
	Investment	3.80	3.80	3.80	3.80
	Other receivable / (payable)	3.27	-	(2.94)	0.02
2	Krystal Ingredients Private Limited				
	Transactions				
	Sale of Products	14.98	-	-	-
	Loan Given	201.72	65.8	7.41	92.51
	Investment made during the period	-	-	-	0.10
	Interest income	12.37	11.32	9.30	7.10
	Security deposit taken	-	0.06	-	-
	Rent Income	-	0.12	-	-
	Security deposit repaid	0.06	-	-	-
	Balances				
	Trade receivable	9.08	-	-	-
	Investment	0.10	0.10	0.10	0.10
	Loan Given	404.75	190.66	114.67	98.90
	Security Deposit	-	0.06	-	-
3	Gem Aromatics FZ LLC				
	Transactions				
	Investment made during the period	-	-	-	0.21
	Reimbursable expenses	-	-	-	0.68
	Balances				
	Investment	0.21	0.21	0.21	0.21
	Reimbursement of expenses Payables	0.68	0.68	0.68	0.68

(2) Gem Aromatics LLC

(Amounts in Rupees million unless stated otherwise)

Sr. No	Nature of Transaction	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
1	Gem Aromatics Limited (formerly known as Gem Aromatics Private Limited)				
	Transactions				
	Purchase of Material	300.22	457.20	580.94	159.71
	IHM Expenses	2.26	2.77	6.54	8.52
	Balances				
	Trade payable	64.71	69.65	200.06	156.59
	Equity contribution	3.80	3.80	3.80	3.80
	Other receivable / (payable)	(3.27)	-	2.94	(0.02)

GEM AROMATICS LIMITED

(Formerly known as Gem Aromatics Private Limited)

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Annexure V- Notes to the Restated Consolidated financial information

(3) Krystal Ingredients Private Limited

(Amounts in Rupees million unless stated otherwise)

Sr. No	Nature of Transaction	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
1	Gem Aromatics Limited (formerly known as Gem Aromatics Private Limited) Transactions				
	Equity contribution received	-	-	-	0.10
	Loan taken	201.72	65.80	7.41	92.51
	Purchase of Material	14.98	-	-	-
	Interest expenses	12.37	11.32	9.30	7.10
	Security deposit given	-	0.06	-	-
	Rent Expense	-	0.12	-	-
	Security deposit repayment received	0.06	-	-	-
	Balances				
	Equity contribution	0.10	0.10	0.10	0.10
	Trade payable	9.08	-	-	-
	Borrowings	404.75	190.66	114.67	98.90
	Security Deposit	-	0.06	-	-

(4) Gem Aromatics FZ LLC

(Amounts in Rupees million unless stated otherwise)

Sr. No	Nature of Transaction	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
1	Gem Aromatics Limited (formerly known as Gem Aromatics Private Limited) Transactions				
	Equity contribution received	-	-	-	0.21
	Reimbursable expenses	-	-	-	0.68
	Balances				
	Equity contribution	0.21	0.21	0.21	0.21
	Reimbursement of expenses Payables	0.68	0.68	0.68	0.68

(33) Fair value measurement

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value those include cash and cash equivalents, other bank balances, trade receivables and trade payables.

Fair value hierarchy

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(a) Financial instruments by category

(Amounts in Rupees million unless stated otherwise)

At fair value through profit and loss	Level	As at			
		September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Assets					
Derivative asset - Forward contract receivable	2	-	0.40	-	9.27
Total Assets		-	0.40	-	9.27
Liabilities					
Derivative liabilities - Forward contract payables	2	0.88	-	7.94	-
Total Liabilities		0.88	-	7.94	-

(Amounts in Rupees million unless stated otherwise)

At amortized cost	As at			
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Assets				
Investments*	-	-	0.00	0.00
Trade receivables	443.41	453.30	796.36	395.07
Cash and cash equivalents	56.54	158.84	105.83	64.98
Loans	0.36	0.44	1.40	0.84
Other financial assets	28.67	137.93	12.09	3.30
Total Assets	528.98	750.51	915.68	464.19
Liabilities				
Borrowings	1,253.50	1,111.25	893.61	769.21
Lease Liabilities	5.06	7.75	8.39	12.02
Trade payables	381.08	189.13	211.42	174.84
Other financial liabilities	9.07	5.95	24.83	24.04
Total Liabilities	1,648.71	1,314.08	1,138.25	980.11

* Amount shown as 0.00 million is less than 0.01 million

Note: Carrying amounts of cash and cash equivalents, bank balances, trade receivables, loans, borrowings, other financial liabilities and trade payables as at period ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 approximate their fair value due to their short-term nature. Difference between carrying amounts and fair values of other financial assets and other financial liabilities subsequently measured at amortized cost is not significant in each of the periods presented.

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Annexure V- Notes to the Restated Consolidated financial information**(34) Financial risk management framework**

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies. The Board holds regular meetings on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

a). Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which Group operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Group, market intelligence and goodwill. Outstanding customer receivables are regularly monitored. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables and other receivables.

Cash and cash equivalents and other bank balances

The Group held cash and cash equivalents and other bank balances of Rs. 66.82 million as at September 30, 2024 (March 31, 2024 : Rs. 285.71 million, March 31, 2023 : Rs. 105.94 million, March 31, 2022 : Rs 65.08 million). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Loans

Loan is given to related parties for which credit risk is managed by monitoring the recoveries of such amounts on regular basis. The Group does not perceive any credit risk related to such loans given to subsidiary companies since these will have an additional financial support from promoters as and when necessary.

Other financial assets

Other financial assets measured at amortized cost includes deposits and capital advances for immovable properties etc. Credit risk related to these financial assets are managed by monitoring the recoveries of such amounts on regular basis and the Group does not perceive any credit risk related to these financial assets.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

b). Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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. The Group has access to unused credit facility at the period ended Rs 1521.57 million as at September 30, 2024 (March 31, 2024 : Rs 1775.84 million, March 31, 2023 : Rs 910.48 million March 31, 2022: Rs 630.79 million) towards working capital needs as and when required.

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Annexure V- Notes to the Restated Consolidated financial information**Maturities of financial liabilities**

The below table analyses the Group's financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows.

(Amounts in Rupees million unless stated otherwise)

Particulars	Carrying amount	Undiscounted amount	
		<12months	>12months
September 30, 2024			
Non Derivative financial instruments			
Borrowings	1,253.50	909.67	344.01
Trade payables	381.08	380.48	0.60
Lease liabilities	5.06	2.74	2.61
Other financial liabilities	9.94	9.94	-
March 31, 2024			
Non Derivative financial instruments			
Borrowings	1,111.25	871.39	240.52
Trade payables	189.13	188.28	0.85
Lease liabilities	7.75	5.15	3.18
Other financial liabilities	5.95	5.95	-
March 31, 2023			
Non Derivative financial instruments			
Borrowings	893.61	891.34	3.10
Trade payables	211.42	208.86	2.57
Lease liabilities	8.39	4.79	4.15
Other financial liabilities	24.83	24.83	-
March 31, 2022			
Non Derivative financial instruments			
Borrowings	769.21	769.21	-
Trade payables	174.83	155.55	19.28
Lease liabilities	12.02	4.56	8.94
Other financial liabilities	24.04	24.04	-

(c). Market risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – that will affect the Group income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

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Annexure V- Notes to the Restated Consolidated financial information**(i). Currency risk**

The Group is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Group's functional currency (₹), primarily in respect of United States Dollar and Chinese Yuan. The Group ensures that the net exposure is kept to an acceptable level.

Exposure to currency risk

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Indian Rupees(INR), are as follows:

As at September 30, 2024

(Amounts in Rupees million unless stated otherwise)

Particulars	USD converted to INR	YUAN converted to INR
Financial assets		
Deposits	-	-
Receivables	138.58	-
Net exposure to foreign currency (assets)	138.58	-
Financial liabilities		
Payables	42.43	-
Borrowings	-	-
Net exposure to foreign currency (liabilities)	42.43	-
Net exposure to foreign currency	96.15	-

As at March 31, 2024

(Amounts in Rupees million unless stated otherwise)

Particulars	USD converted to INR	YUAN converted to INR
Financial assets		
Deposits	-	-
Receivables	267.70	20.03
Net exposure to foreign currency (assets)	267.70	20.03
Financial liabilities		
Payables	-	-
Borrowings	5.22	-
Net exposure to foreign currency (liabilities)	5.22	-
Net exposure to foreign currency	262.48	20.03

As at March 31, 2023

(Amounts in Rupees million unless stated otherwise)

Particulars	USD converted to INR	YUAN converted to INR
Financial assets		
Trade receivable	548.16	44.47
Net exposure to foreign currency (assets)	548.16	44.47
Financial liabilities		
Trade payable	6.90	-
Net exposure to foreign currency (liabilities)	6.90	-
Net exposure to foreign currency	541.26	44.47

As at March 31, 2022

(Amounts in Rupees million unless stated otherwise)

Particulars	USD converted to INR	YUAN converted to INR
Financial assets		
Trade receivable	299.42	71.05
Net exposure to foreign currency (assets)	299.42	71.05
Financial liabilities		
Trade payable	7.41	-
Borrowings	688.24	-
Net exposure to foreign currency (liabilities)	695.65	-
Net exposure to foreign currency	(396.23)	71.05

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Annexure V- Notes to the Restated Consolidated financial information**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies would have affected the measurement of financial instruments denominated in a foreign currency profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Amounts in Rupees million unless stated otherwise)

Particulars	Impact on profit after tax			
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
USD				
- Increase by 5%	3.60	9.82	20.25	(14.83)
- Decrease by 5%	(3.60)	(9.82)	(20.25)	14.83
YUAN				
- Increase by 5%	-	0.75	1.66	2.66
- Decrease by 5%	-	(0.75)	(1.66)	(2.66)

Outstanding Derivative contracts

The Group hedges exposures to changes in foreign currency. The counterparty for these contracts is a bank. Of the all instruments, majority instruments of forward contracts which are valued at fair value through profit and loss.

The following table gives details in respect of outstanding hedge contracts:

(Amounts in Rupees million unless stated otherwise)

Particulars	As at September 30, 2024			
	USD	INR	YUAN	INR
Forward contracts (fair valuation through profit and loss)	8.00	675.62	-	-
Total	8.00	675.62	-	-

(Amounts in Rupees million unless stated otherwise)

Particulars	As at March 31, 2024			
	USD	INR	YUAN	INR
Forward contracts (fair valuation through profit and loss)	10.23	857.05	1.50	18.18
Total	10.23	857.05	1.50	18.18

(Amounts in Rupees million unless stated otherwise)

Particulars	As at March 31, 2023			
	USD	INR	YUAN	INR
Forward contracts (fair valuation through profit and loss)	13.77	1,135.85	4.99	61.10
Total	13.77	1,135.85	4.99	61.10

(Amounts in Rupees million unless stated otherwise)

Particulars	As at March 31, 2022			
	USD	INR	YUAN	INR
Forward contracts (fair valuation through profit and loss)	9.83	777.11	5.84	70.66
Total	9.83	777.11	5.84	70.66

Following table summarises approximate gain / (loss) on the Group's other comprehensive income on account of appreciation / depreciation of the underlying currencies:

(Amounts in Rupees million unless stated otherwise)

Particulars	Impact on profit after tax			
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
USD				
- Increase by 5%	25.28	32.07	42.50	29.08
- Decrease by 5%	(25.28)	(32.07)	(42.50)	(29.08)
YUAN				
- Increase by 5%	-	0.68	2.29	2.64
- Decrease by 5%	-	(0.68)	(2.29)	(2.64)

(ii). Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Group exposure to interest rate risks relates primarily to the Group interest obligations on its borrowings. Borrowings taken at variable rates are exposed to fair value interest rate risk. To Group carries excellent credit ratings, due to which it has assessed that there are no material interest rate risk and any exposure thereof.

(iii). Capital risk management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Group monitors its capital by using gearing ratio, which is net debt divided to total equity. Net debt includes borrowings net of cash and bank balances and total equity comprises of equity share capital, general reserve, securities premium, other comprehensive income and retained earnings.

(Amounts in Rupees million unless stated otherwise)

Particulars	As at	As at	As at	As at
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Borrowings	1,253.50	1,111.25	893.61	769.21
Less: Cash and cash equivalents	(56.54)	(158.84)	(105.83)	(64.98)
Less: Other bank balances	(10.28)	(126.86)	(0.11)	(0.10)
Net Debt [A]	1,186.68	825.55	787.67	704.13
Equity	2,488.63	2,305.48	1,795.31	1,381.59
Total Equity [B]	2,488.63	2,305.48	1,795.31	1,381.59
Total Equity and Net Debt	3,675.32	3,131.03	2,582.98	2,085.71
Capital gearing ratio [A/B]	0.32	0.26	0.30	0.34

Loan covenants

The Group is required to comply with all the loan covenants as set out in the loan agreement/facility letter. The Group has complied with these covenants during the reporting period.

Annexure V- Notes to the Restated Consolidated financial information

(35) Details of the outstanding principal (including unamortized borrowing cost, if any), interest rate, security and repayment terms:

(Amounts in Rupees million unless stated otherwise)

Sr no	Name of the Bank	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	Applicable interest rate	Type of loan and underlying facilities	Amount sanctioned As at September 30, 2024	Repayments terms
1	HDFC Bank	178.40	162.53	240.76	-	8.40%	i. Cash credit ii. Pre-shipment finance iii. Post-shipment finance	400.00	On demand
2	Citi Bank	137.21	119.84	80.23	193.38	7.75% - 10.15%	i. Pre-Shipment/Post-shipment/Bill Discounting ii. Export credit iii. Cash Credit/Buyers Credit/WCDL	330.00	On demand
3	Axis Bank	283.39	258.20	430.27	328.59	8.25% - 9.5%	i. Cash credit ii. Export credit iii. WCDL	660.00	On demand
4	Standard Chartered Bank	-	-	45.00	143.56	0.00%	i. Overdraft ii. Post shipment iii. Export packing credit	-	On demand
5	DBS Bank	64.35	98.25	93.45	103.68	8.00%	i. Cash Credit/Buyers Credit/WCDL ii. Export credit	200.00	On demand
6	ICICI Bank	55.24	200.00	-	-	7.75% - 9.15%	i. Cash credit ii. Pre-shipment finance iii. Post-shipment finance	300.00	On demand
7	HDFC Bank	2.07	2.57	3.90	-	7.10% - 8.15%	i. Vehicle loan	4.09	Fixed Term Loan: Repayment for Loan 1 and Loan 2 has to be done on EMI basis upto December 2025 and May 2027 respectively.
8	Axis Bank	532.84	269.86	-	-	Repo + 1.75% (presently 8.25% p.a.) payable at monthly intervals	Term Loan	683.00	Repayable over a period of 80 months (including 11 months moratorium period).
9	Axis Bank	-	-	-	-	As per mutual agreement*	Working Capital Loan	200.00	On demand
Total		1,253.50	1,111.25	893.61	769.21			2,777.09	

*rate of interest will be ascertained when limit/facility will be drawn.

A Collateral

- All the borrowings are secured first pari passu charge on stock, book debts, hypothecation charge on and all the immovable property, plant & equipments of the Group, both present & future.
- Term Loan is disbursed against exclusive charge on the entire movable and immovable fixed assets of the Dahej Facility, present and future.
- Collateral properties :
 - Land & Building at Plot 2, Survey No 16/4/2, Near Alok Industries, Village Rakholi, Silvassa - 396230 (D&NH), India.
 - Land & Building at Plot 126,8,9,10, Village Gathona Tehsil & District Badaun of the group.
- Term loans pertain to vehicles purchased by the Group and are issued against hypothecation of the Vehicles.
- Second charge on the stock and book debts of Krystal Ingredients Private Limited, present and future is given for working capital loan.

B Guarantor

The Group has borrowings from banks or financial institutions on the basis of security of book debts, inventory and other time deposits. The quarterly statements of current assets filed by the Parent company with banks are primarily in agreement with the books of accounts and there are no material differences except;

For the year ended March 31, 2024, the differences noted in Book Debts & Inventory amounting to Rs.82.38 (In millions) for the quarter ended June 2023 [amount reported Rs.1,950.16 (In millions) vs. amount as per audited books of account Rs. 2,032.54 (In millions)]; Rs.61.63 (In millions) for the quarter ended September 2023 [amount reported Rs. 2,242.84 (In millions) vs amount as per audited books of account Rs. 2304.47 (In millions)]; Rs. 199.86 (In millions) for the quarter ended December 2023 [amount reported Rs. 2,240.69 (In millions) vs. amount as per audited books of account Rs. 2,440.56 (In millions)].

C Guarantee

- For the period ended March 31, 2022 the borrowings are backed by personal guarantee of Mr. Yash Parekh, Mr. Vipul Parekh and Mrs. Kaksha Vipul Parekh.
- With effect from September 15, 2023 the personal guarantees given by Mr. Yash Parekh stands withdrawn and duly accepted by banks.
- Conditional corporate guarantee of Gem Aromatics Limited to Axis Bank Limited on behalf of Krystal Ingredients Private Limited

GEM AROMATICS LIMITED
(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

Annexure V- Notes to the Restated Consolidated financial information
(36) Particulars of subsidiaries and associates considered in the preparation of the consolidated financial statements:

Subsidiaries	Country of incorporation	Six months Period ended September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a) Subsidiaries directly held					
Gem Aromatics LLC	United States of America	100.00%	100.00%	100.00%	100.00%
Krystal Ingredients Private Limited (w.e.f. April 22, 2021)	India	100.00%	100.00%	100.00%	100.00%
Gem Aromatics FZ LLC (w.e.f. April 22, 2021 - up to June 13, 2021)	United Arab Emirates	100.00%	100.00%	100.00%	100.00%

(37) Additional information pursuant to paragraph 2 of Division II - Schedule III to the Companies Act 2013 - " Part II - General instructions for the preparation of the consolidated financial statements"

(Amounts in Rupees million unless stated otherwise)

Name of the entities in the Group	Net Assets , i.e. Total Assets minus total liabilities		Share in Profit or loss		Share in Other comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Total comprehensive income	Amount
September 30, 2024								
Parent								
Gem Aromatics Limited	97.14%	2,417.46	83.08%	152.25	(13.57%)	0.01	83.14%	152.26
Subsidiary								
Gem Aromatics LLC	4.84%	120.37	24.79%	45.42	113.57%	(0.11)	24.74%	45.31
Krystal Ingredients Private Limited	(1.95%)	(48.52)	(7.87%)	(14.42)	0.00%	-	(7.87%)	(14.42)
Gem Aromatics FZ LLC	(0.03%)	(0.68)	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	2,488.63	100.00%	183.25	100.00%	(0.10)	100.00%	183.15

(Amounts in Rupees million unless stated otherwise)

Name of the entities in the Group	Net Assets , i.e. Total Assets minus total liabilities		Share in Profit or loss		Share in Other comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Total comprehensive income	Amount
March 31, 2024								
Parent								
Gem Aromatics Private Limited	98.25%	2,265.20	100.48%	503.42	17.22%	1.57	98.98%	504.99
Subsidiary								
Gem Aromatics LLC	3.26%	75.06	3.44%	17.23	82.88%	7.57	4.86%	24.80
Krystal Ingredients Private Limited	(1.48%)	(34.10)	(3.91%)	(19.58)	0.00%	-	(3.84%)	(19.58)
Gem Aromatics FZ LLC	(0.03%)	(0.68)	(0.01%)	(0.03)	(0.10%)	(0.01)	(0.01%)	(0.04)
Total	100.00%	2,305.48	100.00%	501.04	100.00%	9.13	100.00%	510.17

GEM AROMATICS LIMITED
(Formerly known as Gem Aromatics Private Limited)
CIN: U24246MH1997PLC111057
Annexure V- Notes to the Restated Consolidated financial information

(Amounts in Rupees million unless stated otherwise)

Name of the entities in the Group	Net Assets , i.e. Total Assets minus total liabilities		Share in Profit or loss		Share in Other comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Total comprehensive income	Amount
March 31, 2023								
Parent								
Gem Aromatics Limited	98.31%	1,764.92	92.36%	412.57	49.64%	(16.38)	95.76%	396.19
Subsidiary								
Gem Aromatics LLC	2.54%	45.55	9.59%	42.83	50.32%	(16.61)	6.34%	26.22
Krystal Ingredients Private Limited	(0.81%)	(14.52)	(1.80%)	(8.05)	0.00%	-	(1.95%)	(8.05)
Gem Aromatics FZ LLC	(0.04%)	(0.64)	(0.14%)	(0.63)	0.04%	(0.01)	(0.16%)	(0.64)
Total	100.00%	1,795.31	100.00%	446.72	100.00%	(33.00)	100.00%	413.71

(Amounts in Rupees million unless stated otherwise)

Name of the entities in the Group	Net Assets , i.e. Total Assets minus total liabilities		Share in Profit or loss		Share in Other comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Total comprehensive income	Amount
March 31, 2022								
Parent								
Gem Aromatics Limited	99.07%	1,368.71	98.96%	308.63	69.73%	(3.74)	99.47%	304.89
Subsidiary								
Gem Aromatics LLC	1.40%	19.33	3.21%	10.00	30.06%	(1.61)	2.74%	8.39
Krystal Ingredients Private Limited	(0.47%)	(6.46)	(2.11%)	(6.57)	0.00%	-	(2.14%)	(6.57)
Gem Aromatics FZ LLC	0.00%	0.00	(0.06%)	(0.20)	0.21%	(0.01)	(0.07%)	(0.21)
Total	100.00%	1,381.59	100.00%	311.86	100.00%	(5.36)	100.00%	306.50

(38) Earnings per share

(Amounts in Rupees million unless stated otherwise)

Particulars	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to the equity holders of the Group (Rs in Millions)	183.25	501.04	446.72	311.86
Weighted average number of equity shares for EPS (in nos)	4,68,52,523	4,68,52,523	4,68,52,523	4,68,52,523
Adjustment for calculation of Diluted EPS (in nos)	-	-	-	-
Weighted average number of equity shares for Diluted EPS (in nos)	4,68,52,523	4,68,52,523	4,68,52,523	4,68,52,523
Earnings per share (Rs.)				
- Basic *	3.91	10.69	9.53	6.66
- Diluted *	3.91	10.69	9.53	6.66
Face value per equity share (Rs.)	2.00	2.00	2.00	2.00

*Note: For the Six months period ended September 30, 2024 the Basic and Diluted Earnings per share have been stated as non-annualised.

Note: The company vide Shareholder Resolution dated July 14, 2023, had split the face value of each share of Rs. 10 each to Rs. 2 each. The effect of the same has been given retrospectively since the commencement of the period by changing the existing number of shares from 1,784,858 shares to 8,924,290 shares.

Note: The company vide Shareholder Resolution dated July 14, 2023, issued bonus shares in the ratio 17 equity shares for every 4 equity shares held as on the record date June 30, 2023.

(39) Income tax expense

This note provides analysis of Group's income tax expense, 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 in relation to the Group's tax position.

(a) Income tax expense is as follows:

(Amounts in Rupees million unless stated otherwise)

Particulars	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
(a) Profit and loss				
Current tax	68.72	184.77	121.75	134.70
Tax relating to prior years	-	(5.43)	-	(0.41)
Deferred tax	0.28	(4.44)	(7.58)	(2.50)
Total Tax expense	69.00	174.90	114.17	131.79
Income tax expense	69.00	174.90	114.17	131.79

(b) Reconciliation of tax expense and the accounting profit computed by applying income tax rate:

(Amounts in Rupees million unless stated otherwise)

Particulars	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	252.25	675.94	560.89	443.65
Tax rate	25.17%	25.17%	25.17%	25.17%
Computed tax expense	63.49	170.13	141.16	111.66
Expenses not deductible for tax purpose	1.85	14.64	4.10	9.32
Tax relating to prior years	-	(5.43)	-	(0.41)
Others	3.66	(4.44)	(31.08)	11.22
Income tax expense	69.00	174.90	114.17	131.79

(40) Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker for assessing the Group's performance and allocating the resources based on an analysis of various performance indicators by business segments and geographic segments.

The Group is engaged into business of Manufacturing and exporting of essential oils which is single reportable business segment. Hence the Group's financial statements reflect the position for a reportable segment and no separate disclosure is required. The Group has its manufacturing operations in India and sales products across various geographies in the world.

The information relating to revenue from external customers of its single reportable segment has been disclosed as below:

(Amounts in Rupees million unless stated otherwise)				
Particulars	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
USA	451.57	1,487.08	1,768.31	1,003.30
India	1,156.22	2,228.43	1,529.49	1,274.36
China	54.23	216.65	233.36	364.12
Brazil	210.68	212.94	135.34	114.17
Singapore	0.45	40.52	148.32	35.65
Rest of the world	137.37	284.67	378.00	320.35
Total	2,010.52	4,470.29	4,192.82	3,111.95

List of customer from which revenue from sale of product is more than 10 %

Customer	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Customer A	0.08%	19.12%	20.53%	15.83%
Customer B	0.16%	0.01%	7.33%	11.72%
Customer C	10.90%	7.23%	5.52%	11.11%
Customer D	10.48%	3.01%	2.88%	3.65%

(41) Commitments and contingent liabilities

(Amounts in Rupees million unless stated otherwise)

Claims against the Group not acknowledged as debt :	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(I) Contingent liabilities				
(a) Claims against the company not acknowledged as debt				
Under Customs regulations	300.77	300.77	300.97	288.29
Under Income tax act	56.66	55.11	48.02	2.18
Under Goods and services tax act	40.49	40.49	40.49	36.45
Under MSMED Act	0.55	0.55	-	-
Under Uttar Pradesh Trade Tax Regime	176.48	176.48	-	-
Under Stamp duty act	-	-	1.71	1.71
Total Contingent liabilities	574.95	573.40	391.19	328.63
(II) Commitments				
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:				
(i) Capital commitments entered by the company	404.83	252.69	22.21	2.71
(b) Other Commitments				
(i) Other Commitments - Corporate Guarantee	883.00	883.00	-	-
Total Commitments	1,287.83	1,135.69	22.21	2.71

(42) Dues of micro enterprises and small enterprises

(Amounts in Rupees million unless stated otherwise)

Particulars	Six months Period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required related to MSME. On the basis of the information and records available with the Group, following are the details of dues:	-	-	-	-
- the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	57.12	50.09	22.16	51.26
- the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-	-
- the amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-	-
- the amount of interest accrued and remaining unpaid at the end of each accounting year; and*	0.19	3.32	0.19	0.00
- 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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

* Amount shown as 0.00 million is less than 0.01 million

(43) There are no material subsequent events which have occurred between the reporting date as on September 30, 2024 and adoption of Restated Consolidated Financial Information by board of directors as on December 16, 2024.

(44) The Restated Consolidated Financial Information were authorised for issue by the Group's Board of directors on December 16, 2024.

(45) Other Statutory Information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any transactions with companies struck off.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group is in compliance with the number of layers prescribed under clause 87 of section 2 of the companies act read with the companies (Restriction of number of layers) Rules 2017.
- (vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (viii) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

For CHHAJED & DOSHI
Chartered Accountants
Firm's Reg. No.: 101794W

For and on behalf of the Board of Directors of
Gem Aromatics Limited
(Formerly known as Gem Aromatics Private Limited)
CIN: U24246MH1997PLC111057

CA Abhinav Chhajed
Partner
Membership Number: 196452
Place : Mumbai
Date : 16-12-2024

Vipul Parekh
Chairman & Whole Time Director
DIN : 00235974
Place : Mumbai
Date : 16-12-2024

Yash Parekh
Managing Director & CEO
DIN : 03514313
Place : Mumbai
Date : 16-12-2024

Kaksha Vipul Parekh
Whole Time Director & CFO
DIN : 00235998
Place : Mumbai
Date : 16-12-2024

Pooja Padam Bhandari
Company Secretary
Place : Mumbai
Date : 16-12-2024

Annexure VI - Statement on adjustments to the Restated Consolidated Financial Information

Part A: Reconciliation of audited consolidated financial statement with restated consolidated financial information:

i. Reconciliation between profit as per audited consolidated financial statements and restated consolidated financial information

(Amounts in Rupees million unless stated otherwise)

Particulars	Six months ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Profit / (loss) after tax as per audited consolidated financial statements	183.25	500.83	446.93	311.86
Adjustments				
(i) Audit qualification				
(ii) Adjustments due to change in accounting policy/ prior period items / other ad	-	0.21	(0.21)	0.00
(iii) Deferred tax impact on above adjustment				
Total Impact of adjustments (i)+(ii)+(iii)				
Restated profit / (loss) after tax	183.25	501.04	446.72	311.86

ii. Reconciliation between total equity as per audited consolidated financial statements and restated consolidated financial information

(Amounts in Rupees million unless stated otherwise)

Particulars	Six months ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Total equity as per audited consolidated financial statements	2,488.63	2,305.48	1,795.52	1,381.59
Adjustments :				
(i) Audit qualification				
(ii) Adjustments due to change in accounting policy/ prior period items / other adjustments	-	-	(0.21)	0.00
(iii) Deferred tax impact on above adjustment				
Total Impact of adjustments (i)+(ii)+(iii)				
Total equity as per restated consolidated financial information	2,488.63	2,305.48	1,795.31	1,381.59

Part B : Non adjusting events

I. Matter included in the Independent Auditor's Report of the Consolidated Financial Statements of Gem Aromatics Limited (formerly known as Gem Aromatics Private Limited) which does not require any corrective adjustment in the Restated Consolidated Financial information is as follows:

For the Year ended March 31, 2024

- i. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 issued by Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanation given to us, and based on the CARO report issued by us for the Holding Company and the subsidiary Company which is incorporated in India, included in the consolidated financial statement of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except for the following:

Name	CIN	Holding Company/subsidiary/Associate/Joint Venture	Clause number of the CARO report which is qualified or adverse
Gem Aromatics Limited (Formerly known as Gem Aromatics Private Limited)	U24246MH1997PLC111057	Holding Company	3(ii)(b)
Krystal Ingredients Private Limited	U24299MH2021PTC359408	Subsidiary Company	3(ix)(a)

Reporting on other legal and regulatory requirements:

- ii. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and report of other auditor except for the matter stated in the paragraph 8(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- iii. Based on our examination which included test checks, the Holding Company and its subsidiary company incorporated in India have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except at the database level to log any direct data changes to the accounting software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

GEM AROMATICS LIMITED*(Formerly known as Gem Aromatics Private Limited)*

CIN: U24246MH1997PLC111057

Annexure VI - Statement on adjustments to the Restated Consolidated Financial Information

II. Matter included in the Independent Auditor's Report of the Standalone Financial Statements of Gem Aromatics Limited (formerly known as Gem Aromatics Private Limited) which does not require any corrective adjustment in the Restated Consolidated Financial information is as follows:

For the Year ended March 31, 2024**Reporting on other legal and regulatory requirements:**

- i. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books except for the matter stated in the paragraph 6(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- ii. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except at the database level to log any direct data changes to the accounting software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

III. Matters included in the Companies (Auditor's Report) Order, 2020 ("CARO, 2020") of the Standalone Financial Statements of Gem Aromatics Limited (formerly known as Gem Aromatics Private Limited) which does not require any corrective adjustment in the restated consolidated financial information is as

For the Year ended March 31, 2024**Clause ii(b) of CARO, 2020**

The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the company with such banks and financial institutions are in agreement with the books of account of the Company except for the differences noted in Book Debts & Inventory amounting to Rs.82.38 (In millions) for the quarter ended June 2023 [amount reported Rs.1,950.16 (In millions) vs. amount as per audited books of account Rs. 2,032.54 (In millions)]; Rs.61.63 (In millions) for the quarter ended September 2023 [amount reported Rs. 2,242.84 (In millions) vs amount as per audited books of account Rs. 2304.47 (In millions)]; Rs. 199.86 (In millions) for the quarter ended December 2023 [amount reported Rs. 2,240.69 (In millions) vs. amount as per audited books of account Rs. 2,440.56 (In millions)].

For the Year ended March 31, 2023**Clause ix(a) of CARO, 2020**

The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year, except following delays in payment:

(Amounts in Rupees million unless stated otherwise)

Nature of Borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid
Vehicle Loan	HDFC Bank	0.05	Both	4 days

For the Year ended March 31, 2022**Clause ii(b) of CARO, 2020**

The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets; the quarterly returns or statements filed by the company with such banks and financial institutions are in agreement with the books of account of the Company except for the differences noted in Inventory amounting to Rs. 940.61 lakh for the quarter ended December 2021 (amount reported Rs. 10,569.01 lakh vs. amount as per unaudited books of account Rs. 9,628.40 lakh); Rs. 339.03 lakh for the quarter ended March 2022 (amount reported Rs. 8,443.84 lakh vs amount as per audited books of account Rs. 8,782.87 lakh) and differences noted in trade payable amounting to Rs. 106.55 lakh for the quarter ended March 2022 (amount reported Rs. 1,271.64 lakh vs. amount as per audited books of account Rs. 1,165.09 lakh).

GEM AROMATICS LIMITED*(Formerly known as Gem Aromatics Private Limited)*

CIN: U24246MH1997PLC111057

Annexure VI - Statement on adjustments to the Restated Consolidated Financial Information

IV. Matter included in the Independent Auditor's Report of the Financial Statements of Krystal Ingredients Private Limited which does not require any corrective adjustment in the Restated Consolidated Financial information is as follows:

For the Year ended March 31, 2024**Reporting on other legal and regulatory requirements:**

- i. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books except for the matter stated in the paragraph 6(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- ii. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except at the database level to log any direct data changes to the accounting software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

V. Matters included in the Companies (Auditor's Report) Order, 2020 ("CARO, 2020") of the Financial Statements of Krystal Ingredients Private Limited which does not require any corrective adjustment in the restated consolidated financial information is as follows:

For the Year ended March 31, 2024**Clause ix(a) of CARO, 2020**

The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year, except following delay in payment:

(Amounts in Rupees million unless stated otherwise)

Nature of Borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid
Term Loan	Axis Bank	0.65	Interest	2 days

Part C : Material regroupings

Appropriate regroupings have been made in the restated consolidated financial information of assets and liabilities, statement of profit and loss and cash flow statements, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to align them with the accounting policies and classification as per the financial information of the Group for the six months period ended September 30, 2024 prepared in accordance with revised Schedule III to the Act, requirements of Ind AS 1-'Presentation of financial informations' and other applicable Ind AS principles and the requirements of the SEBI ICR regulations, as amended. However, the regroupings made in the Restated Financial Information are not material.

For CHHAJED & DOSHI

Chartered Accountants

Firm's Reg. No.: 101794W

For and on behalf of the Board of Directors of

Gem Aromatics Limited

(Formerly known as Gem Aromatics Private Limited)

CIN: U24246MH1997PLC111057

CA Abhinav Chhajed

Partner

Membership Number: 196452

Place : Mumbai

Date : 16-12-2024

Vipul Parekh

Chairman & Whole Time Director

DIN : 00235974

Place : Mumbai

Date : 16-12-2024

Yash Parekh

Managing Director & CEO

DIN : 03514313

Place : Mumbai

Date : 16-12-2024

Kaksha Vipul Parekh

Whole Time Director & CFO

DIN : 00235998

Place : Mumbai

Date : 16-12-2024

Pooja Padam Bhandari

Company Secretary

Place : Mumbai

Date : 16-12-2024

OTHER FINANCIAL INFORMATION

The accounting ratios derived from Restated Consolidated Financial Information required to be disclosed under required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are set forth below:

Particulars	Six months period ended September 30, 2024	As at and for the Fiscals		
		March 31, 2024	March 31, 2023	March 31, 2022
Basic earnings per share (in ₹) ^{(1) (3)}	3.91*	10.69	9.53	6.66
Diluted earnings per share (in ₹) ^{(2) (3)}	3.91*	10.69	9.53	6.66
Return on Net Worth (in %) ⁽⁴⁾	7.36	21.73	24.88	22.57
Net asset value per Equity Share (in ₹) ⁽⁵⁾	53.12	49.21	38.32	29.49
PAT (in ₹ million)	183.25	501.04	446.72	311.86
EBITDA (in ₹ million) ⁽⁶⁾	295.56	783.54	661.86	491.64

*Not annualized.

Notes:

- (1) Earnings per Equity Share of face value of ₹ 2 each (Basic) = Restated profit for the period/year attributable to the equity holders of our Company divided by weighted average number of equity shares outstanding during the period/year.
- (2) Earnings per Equity Share of face value of ₹ 2 each (Diluted) = Restated profit for the period/year attributable to equity holders of our Company divided by weighted average number of equity shares outstanding during the period/year considered for deriving basic earnings per share and the weighted average number of Equity Shares during the period/year as adjusted for the effects of all dilutive potential Equity Shares during the year/ period.
- (3) Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'
- (4) Return on Net Worth is calculated as Restated profit for the period / year attributable to Equity holders of the parent divided by Equity attributable to owners of the Company *100
- (5) Net Asset Value per Equity share is calculated as restated net worth for the year/ period attributable to owners of the Company divided by weighted average number of equity shares for the year/ period.
- (6) Earnings before interest, tax, depreciation and amortization (EBITDA) is calculated as profit/ (loss) for the period/year plus finance costs, depreciation and amortization, exceptional items and total income tax expenses less other income.

Other financial information

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company as of and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 along with the respective audit reports are available on our website at www.gemaromatics.com/financialResults/ and the audited standalone financial statements of our Material Subsidiary, Gem Aromatics LLC, as of and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 along with the respective audit reports are available on our website at www.gemaromatics.com/financial-statements-of-subidiaries/ (collectively, the “**Standalone Financial Statements**”). Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations.

The Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Standalone Financial Statements and the reports thereon should not be considered as part of information that any investor should consider in order to subscribe for or purchase any securities of our Company, Subsidiaries or any entity in which it or its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any of the BRLM, 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 standalone financial statements, or the opinions expressed therein.

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 "Restated Consolidated Financial Information" beginning on page 270.

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for the six month ended September 30, 2024 and Fiscals 2024, 2023 and 2022, included herein is based on or derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For details, please see "Restated Consolidated Financial Information" beginning on page 270. The Restated Consolidated Financial Information is based on our audited financial statements and is restated in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations. For details, please see "Restated Consolidated Financial Information" beginning on page 270. The Restated Consolidated Financial Information is based on our audited financial statements and is restated in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations. Our audited financial statements are prepared in accordance with Indian Accounting Standards, which differs in certain material respects with IFRS and U.S. GAAP. For details, see "Risk Factors – External Risk Factors – 61. Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition." on page 66.

Only to the extent explicitly indicated, industry and market data used in this section has been derived from the report titled 'Independent Market Report for Gem Aromatics' dated December 26, 2024, prepared and issued by F&S (the "F&S Report"), commissioned by and paid for by our Company. The F&S Report has been prepared and issued by F&S for the purpose of understanding the industry exclusively in connection with the Offer. 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 fiscal or calendar year, refers to such information for the relevant fiscal or calendar year. For further details, see "Risk Factors – Internal Risks – 51. Certain sections of this Draft Red Herring Prospectus disclose information from the F&S Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks" on page 61 and the section titled "Industry Overview" beginning on page 143. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" beginning on page 16.

For details relating to the defined terms in the section, please see "Definitions and Abbreviations" beginning on page 1. Unless the context otherwise requires, in this section, all references to "we", "us", or "our" refers to our Company and its Subsidiaries on a consolidated basis, while, all references to "the Company" or "our Company" refers to Gem Aromatics Limited on a standalone basis

OVERVIEW

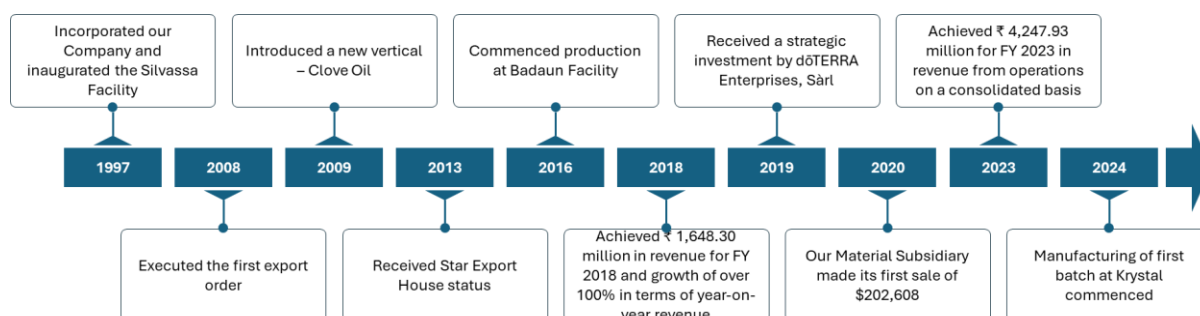
We are an established manufacturer of specialty ingredients, including, essential oils, aroma chemicals and Value-Added Derivatives in India with a track record of over two decades. We offer a diversified portfolio of products, ranging from the Mother Ingredients to its various Value-Added Derivatives. Our products find application across a broad spectrum of industries, such as, oral care, cosmetics, nutraceuticals, pharmaceuticals, wellness and pain management and personal care. We are one of the prominent essential oils and Value-Added Derivatives manufacturers in India, based on value and volume manufactured, specializing in products that are derived from mint and clove oil. (Source: F&S Report) Our track record, diverse product portfolio and brand recall has helped us establish several leadership positions within our product portfolio, for instance, in India, we have a dominant presence in essential oil-based products and derivatives that are manufactured from mint, clove, eucalyptus oils and other essential oils. (Source: F&S Report) The largest segments under essential oil are – Orange oil, Mint oil, Clove oil, and Eucalyptus oil. We are present in three of the four major categories. (Source: F&S Report) During FY 2024 in India, we were the largest procurer of Piperita oil, and the largest processor of DMO, Clove oil, Eugenol and Eucalyptus Oil in terms of volume manufactured. (Source: F&S Report) As on FY 2024, our share of DMO and Eugenol in India was 11% and 62%, respectively, in terms of volume manufactured. (Source: F&S Report)

Our in-house manufacturing and R&D capabilities have contributed towards our track record of product innovation and launches and assisted us with maintaining consistent product quality. With over two decades of experience, we have developed our expertise in advanced organic synthesis through application of complex

chemistries like Grignard’s, amide coupling, Friedel-Crafts reactions, cross-coupling chemistry, photochemical reactions, and methoxylation using green chemistry. Our advanced capabilities also extend to high-pressure reactions, continuous processes, fixed-bed systems, and process automation.

We offer 70 products across our four product categories, namely, (i) mint and mint derivatives; (ii) clove and clove derivatives; (iii) phenol; and (iv) other synthetic and natural ingredients. We enjoy leading position in many of the product lines that we operate in. (Source: F&S Report) Considering the market growth and our legacy of experience in the industry since 1915, there is a higher opportunity to explore. (Source: F&S Report) With a focus on servicing our customers and manufacturing quality products, we commenced our operation in Fiscal 1999 in the mint and mint derivative category with products like spearmint and piperita. In order to expand our product portfolio, we commenced production and sale under the clove and clove derivative category in 2009. In continuation with our focus on expanding our product portfolio, we are in the process of introducing products under the new category, being, citral. Over the years our Company has been recognised with awards and accolades, including, “Export Excellence Award for outstanding performance in category of One Star Export House – MSME (Gold)” from Federation of Indian Export Organisation for the years 2017-18 and 2019-20, “Export Excellence Award for outstanding performance in category of Two Star Export House – MSME (Silver)” from Federation of Indian Export Organisation for the years 2020-21. Our Company has also been accorded the status of a “Three Star Export House” by the Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry Government of India. For further details, see “*History and Certain Corporate Matters – Key awards, accreditations and recognition*” on page 239.

Further, in 2019, dōTERRA Enterprises, Sàrl (“dōTERRA”), invested in our Company and while we initially started with supply of spearmint and piperita, during the six month period ended September 30, 2024 and the past three Fiscals, we have been supplied 18 products to dōTERRA Global Limited. For further details of the Supply Agreement entered with dōTERRA Global Limited and investment made by dōTERRA in our Company, see “*History and Certain Corporate Matters – Summary of key material agreements*” and “*History and Certain Corporate Matters – Shareholders’ agreements and other agreements*” on pages 241 and 240, respectively.



The table below sets forth a break-up of our revenue from sale of products across our product categories, each category comprising both natural and synthetic ingredients, for the periods indicated:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
Mint and mint derivatives	1,408.79	68.76	3,297.90	72.89	2,972.56	69.98	2,385.50	75.89
Clove and clove derivatives	445.59	21.75	683.02	15.10	640.92	15.09	315.38	10.03
Phenol	22.44	1.10	17.54	0.39	1.58	0.04	0.06	0.00
Other synthetic and natural ingredients*	133.70	6.53	471.83	10.43	577.76	13.60	411.01	13.08
Total^	2,010.52	98.14	4,470.29	98.81	4,192.82	98.71	3,111.95	99.00

* Including eucalyptus, eucalyptol, lemon grass, amongst others.

^ Remaining percentage consists other operating revenues

Historically, due to the seasonal nature of our business, we have experienced higher revenues in the second half of the financial year as compared to the first half of the financial year. For further details see, “**Risk Factors – Internal Risk Factors – 13. Some of the raw materials used in our production processes are natural resources and therefore we are subject to the seasonality and risk of depletion of such natural resources.**” on page 38.

The table below sets out the total addressable market both in India and globally:

Product Category	Key End User Industries	Global Market Size (USD Million) - 2024	India Market Size (USD Million) - 2024	India Production Size (USD Million) - 2024	India Positioning (% share of global supply) - 2024	Our Company's production Value FY 24 (USD Million)	Our Company's production Volume FY 24	India Production Current Market Share of our Company (%) - 2024	
Peppermint Oil	Food & Beverages, Pharma & Alternative Medicine, Cosmetics & Personal Care, Tobacco, Aromatherapy	785	456	635	81%	18.78	1,130	3%	
Menthol		835	200	243	29%	16.41	1,300	7%	
DMO		160	75	130	81%	13.75	1,100	11%	
Clove Oil		100	17	17	17%	4.32	354	26%	
Eugenol		90	11	6	7%	3.43	195	53%	
Eucalyptus Oil		140	10	4	3%	2.39	266	68%	
MEHQ		145	41	74	51%	Future strategy			
Anethole		185	22	14	8%				
Guaiacol		330	40	38	12%				
4MAP		42	4.6	11	26%				
BHA	147	92	50	34%					
Cooling Agents	240	1.3	NA	Negligible					

Source: F&S Report.

We have established long standing relationships with several domestic and global corporate customers such as, Colgate-Palmolive (India) Limited, Dabur India Limited, Patanjali Ayurved Limited, SH Kelkar and Company Limited, Rossari Biotech Limited, Symrise Private Limited, dōTERRA, Ventos So Brasil Eireli and Anhui Haitian Spices Co. Ltd. as well as several domestic and global merchant traders. As on September 30, 2024, we supply our products to 170 customers, domestically and 30 customers across 13 countries globally, covering geographies including the Americas, Asia, Africa and Australia. In the domestic market, we sell our products directly to our customers on a business-to-business basis and our export sales are undertaken through a combination of methods such as (i) direct sales by our Company to our customers; (ii) sales through our Material Subsidiary, i.e., Gem Aromatics LLC, based in the USA; or (iii) sales through third party agencies.

The following table sets forth a breakdown of our revenue from operations, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

Particulars	For the six month period ended September 30, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations
Sale of products – domestic sales	1,156.22	56.43	2,228.43	49.25	1,529.49	36.00	1,274.36	40.54
Sale of products – export sales	854.30	41.69	2,241.86	49.55	2,663.33	62.70	1,837.59	58.46
Other operating revenues	38.42	1.88	54.23	1.20	55.11	1.30	31.34	1.00
Total	2,048.94	100.00	4,524.52	100.00	4,247.93	100.00	3,143.29	100.00

We operate three manufacturing facilities located in Budaun, Uttar Pradesh (“**Budaun Facility**”), Silvassa, Dadra and Nagar Haveli and Daman and Diu (“**Silvassa Facility**”) and Dahej, Gujarat (“**Dahej Facility**”), and together with the Budaun Facility and Silvassa Facility, the “**Manufacturing Facilities**”).

The table below sets forth the details of the Manufacturing Facilities:

Name of the entity which owns/ has leased the property	Manufacturing facility location	Manufacturing facility address	Built-up area (in sq. mt.)	Production capacity as of September 30, 2024 (in MTPA)*
Gem Aromatics Limited	Budaun, Uttar Pradesh	8/9/10 Khasara No, Village Gathona, Ujhani Budaun Rd, District: Budaun #243639 UP, India	5,915	3,200
Gem Aromatics Limited	Silvassa, Dadra and Nagar Haveli and Daman and Diu	Plot No.2, Survey No. 16/4/2, Near Alok Industries, Rakholi, Silvassa #396230 (D&NH), India.	1,340	1,500
Krystal Ingredients Private Limited	Dahej, Gujarat	Plot number- D-3/97, GIDC Industrial Estate, Dahej- III, Vagara, Bharuch, Gujarat, Bharuch-392130 Gujarat	100	46

*Annualized

As certified by Anjaria Enviro Tech Private Limited by way of certificate dated December 23, 2024.

For further details on our installed capacity, see “**Our Business – Our Operations – Manufacturing Facilities – Installed Capacity and Capacity Utilization**” on page 222.

As on September 30, 2024, we have a dedicated in-house R&D team comprising of 15 scientists, that play a pivotal role in implementing the state-of-the-art technology adopted by us, that has helped us advance our formulations across the Value-Added Derivatives. Our manufacturing operations are bolstered by our dedicated research and development facility in Maharashtra (“**R&D Facility**”). We believe that our in-house R&D capabilities have been instrumental in our success by allowing us to work closely with our customer and develop products as per their specific requirements, including, their proprietary ratio of ingredients. Our in-house R&D capabilities assist us to achieve customised products for our customers, in terms of the specific fragrance profile of the product or a particular flavour.

Our Promoters, have been an integral part in the establishment and growth of our Company and with over two decades of experience in the specialty ingredients industry, including, essential oils, aroma chemicals and Value-Added Derivatives, have been instrumental in our continued growth. We have an experienced Board of Directors who bring their respective experience and expertise to our operations. The Key Management Personnel and the Senior Management Personnel of the Company contribute to the growth of the Company through their commitment and expertise and we believe our experienced and dedicated senior management team also enables us to identify market opportunities, formulate and execute business strategies, manage customer expectations and proactively address changes in market conditions.

Some of our key performance indicators (“**KPIs**”) include:

Particulars	Unit	For the six months ended September 30, 2024	For the financial year ended March 31, 2024	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Revenue from Operations	₹ in million	2,048.94	4,524.52	4,247.93	3,143.29
Growth in revenue from operations	%	NA	6.51	35.14	NA
Gross Profit	₹ in million	473.66	1,112.96	1,074.10	761.01
Gross Margin	%	23.12	24.60	25.29	24.21
EBITDA	₹ in million	295.56	783.54	661.86	491.64
EBITDA Margin	%	14.42	17.32	15.58	15.64

Particulars	Unit	For the six months ended September 30, 2024	For the financial year ended March 31, 2024	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Profit for the Period/ Year	₹ in million	183.25	501.04	446.72	311.86
Total income	₹ in million	2,065.16	4,542.25	4,250.93	3,169.73
PAT Margin	%	8.87	11.03	10.51	9.84
Return on Equity	%	7.36	21.73	24.88	22.57
Return on Capital Employed	%	6.96	21.10	22.85	20.84
Gross Fixed Assets Turnover Ratio	In times	1.52	4.76	7.66	7.60
Net Debt to Total Equity	In times	0.48	0.36	0.44	0.51
Net Working Capital Cycle	Days	193.10	162.51	172.71	181.33

* Ratios and percentages are not annualized for the six months period ended September 30, 2024.

Notes:

1. Revenue from operations means the Revenue from operations for the period/year
2. Growth in Revenue from operations (%) is calculated as a percentage of Revenue from operations of the year minus Revenue from operations of the preceding year, divided by Revenue from operations of the preceding year
3. Gross profit is calculated as Revenue from operations minus cost of raw materials consumed minus purchase of stock-in-trade (traded goods) minus (increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade
4. Gross Margin is calculated as Gross Profit divided by Revenue from operations
5. Earnings before interest, tax, depreciation and amortization (EBITDA) is calculated as profit/ (loss) for the period/year plus finance costs, depreciation and amortization, exceptional items and total income tax expenses less other income.
6. EBITDA Margin is calculated as EBITDA divided by Revenue from operations.
7. Profit after tax (PAT) Margin is calculated as profit/ (loss) for the period/year divided by total income
8. Return on Equity is calculated as profit/ (loss) for the period/year (Excluding share of minority in profits) divided by total equity (Excluding non-controlling interest).
9. Return on Capital Employed is calculated as EBIT divided by capital employed. Capital employed is calculated as total equity plus current borrowings (including current maturities of non-current borrowings), non-current borrowings and deferred tax liability while EBIT is calculated as EBITDA less depreciation and amortization.
10. Gross Fixed Assets Turnover Ratio is calculated as Revenue from operations for the period/year divided by cost of property, plant and equipment, capital work-in-progress, right-of-use assets, goodwill, other intangible assets & intangible assets under development. In case of unavailability of cost of right-of-use assets, we have taken the carrying value.
11. Net Debt to Total Equity is calculated as net debt divided by total equity. Net Debt is calculated as current borrowings (including current maturities of non-current borrowings) plus non-current borrowings less cash and cash equivalents less other bank balances.
12. Net Working Capital Cycle (days) is calculated as net working capital divided by revenue from operations multiplied by 365 (year)/183 (six months). Net Working Capital is calculated as inventories plus trade receivables minus trade payables.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATION

The results of our operations and our financial conditions are affected by numerous factors and uncertainties, many of which may be beyond our control, including as discussed in “**Our Business**” and “**Risk Factors**”, beginning on pages 208 and 143, respectively.

Please see below a discussion of certain factors that we believe may be expected to have a significant effect on our financial condition and results of operations:

Relationship with and dependence on key customers

We have established long standing relationships with several domestic and global corporate customers such as, Colgate-Palmolive (India) Limited, Dabur India Limited, Patanjali Ayurved Limited, SH Kelkar and Company Limited, Rossari Biotech Limited, Symrise Private Limited, dōTERRA, Ventos So Brasil Eireli and Anhui Hautian Spices Co. Ltd. as well as several domestic and global merchant traders. As on September 30, 2024, we supply our products to 170 customers, domestically and 30 customers across 13 countries globally, covering geographies including the Americas, Asia, Africa and Australia. In the domestic market, we sell our products directly to our customers on a business-to-business basis and our export sales are undertaken through a combination of methods such as (i) direct sales by our Company to our customers; (ii) sales through our Material Subsidiary, i.e., Gem Aromatics LLC, based in the USA; or (iii) sales through third party agencies.

The table below sets forth the revenue derived from our top 10 customers, for the periods indicated:

	Six month ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
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Particulars of the top 10 customers*^	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
Customer 1	219.11	10.69	854.57	18.89	860.97	20.27	492.51	15.67
Customer 2	210.74	10.29	323.05	7.14	325.11	7.65	364.65	11.60
Customer 3	185.54	9.06	230.54	5.10	307.22	7.23	345.78	11.00
Customer 4	166.30	8.12	154.29	3.41	282.83	6.66	175.85	5.59
Customer 5	84.60	4.13	151.96	3.36	232.91	5.48	138.38	4.40
Customer 6	69.70	3.40	147.70	3.26	231.47	5.45	130.30	4.15
Customer 7	59.09	2.88	134.34	2.97	165.18	3.89	125.61	4.00
Customer 8	54.09	2.64	130.17	2.88	147.88	3.48	117.46	3.74
Customer 9	53.75	2.62	124.35	2.75	121.59	2.86	113.64	3.62
Customer 10	51.87	2.53	109.77	2.43	120.68	2.84	106.03	3.37
Total	1,154.79	56.36	2,360.74	52.19	2,795.84	65.81	2,110.21	67.14

*Our top 10 customers include Colgate Palmolive (India) Limited, dōTERRA Global Limited and Ventos Do Brasil LTDA; names of other customers have not been included in the above table because consents for disclosure of such customer names were not available.

^ Top 10 customer have been included in each year / period independently.

Our customers do not provide a firm commitment for any specific product quantity and purchase orders may be amended or cancelled prior to finalization, as a result of which, we do not hold a significant order book at any time, making it difficult for us to forecast revenue, production or sales and plan our inventory in advance. Any increases or decreases in the customer demand are likely to have an effect on our revenues and our results of operations.

Raw Material Costs and Operating Costs

Our business, financial condition, results of operations and prospects are significantly impacted by the prices of raw materials purchased by us, particularly prices of mentha arvensis, mentha piperita, crude clove leaf oil and lemon grass oil. The table below sets forth the cost of raw materials consumed, including as a percentage of our total expense for the periods stated:

Particulars	Six month ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense
L menthol	494.18	27.26	1,301.65	33.67	387.43	10.50	317.53	11.65
Crude clove leaf oil Madagascar 80-82%	266.35	14.69	484.34	12.53	410.88	11.13	215.31	7.90
DMO crude	228.55	12.61	414.54	10.72	342.80	9.29	620.95	22.78
Eugenol	96.78	5.34	144.38	3.73	191.37	5.19	88.18	3.23
Mentha arvensis	76.27	4.21	244.03	6.31	279.77	7.58	387.48	14.21
Others*	497.48	27.44	855.30	22.12	1,552.87	42.08	1,088.15	39.92
Total	1,659.61	91.55	3,444.24	89.08	3,165.12	85.77	2,717.60	99.69

*Others includes lemon grass oil, turmeric oil, pomegranate seed oil.

Raw material pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, fuel prices and availability, power tariffs and currency exchange rates. This volatility in commodity prices can significantly affect our raw material costs. Our cash flows may still be adversely affected because of any gap in time between the date of procurement of those primary raw materials and date on which we can reset the product prices for our customers, to account for the increase in the prices of such raw materials. Our ability to manage our operating costs and operations efficiencies is critical to maintaining our competitiveness

and profitability. Our profitability is partially dependent on our ability to increase our productivity and reduce our operating expenses.

Research and development as well as product portfolio

The success of our business and our competitiveness depends on our ability to continue to develop innovative products, identify and understand evolving industry trends and preferences to develop new products to meet our customers' demands as well as adapt our existing product offering to customer requirements while improving margins, operational efficiency, product enhancements and technological innovations and to support the continuous growth of our product range.

Innovation from our research and development activities is a basic prerequisite for sustainable success. The table below sets out our expenditure on R&D activities for the periods as indicated:

Particulars	For the six month period ended September 30, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense	Amount (₹ in million)	% of total expense
R&D expenditure	7.57	0.42	17.99	0.47	8.26	0.22	0.21	0.01

We expect our research and development expenses will increase as our business and operations grow.

Development costs for a product manufactured according to customer requirements are generally recognized as expenses in our consolidated financial statement. We remain the owner of the formulations and know-how of the products we develop. Products developed, including as part of customer-specific projects, contribute to the continual enlargement and evolution of our product portfolio. This portfolio, and therefore ingredients and products already developed, can be accessed when new products are to be developed. This allows us to optimize our future research and development expenses by leveraging previous customer-specific research and development efforts. Multiple variations of a product are developed during the product development phase, usually in consultation with a customer. All variants are added to the portfolio, thereby strengthening our product portfolio.

As a result of our research and development efforts, we are able to produce a large number of different fragrance and flavour products and in quantities ranging from a few grams to several tons, depending on the end product for which our products are to be used as an ingredient. We continuously invest in new product development.

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE FINANCIAL YEARS

There have been no changes in the accounting policies of the Company during the last three financial years.

SIGNIFICANT ACCOUNTING POLICIES

Set forth below is a summary of our most significant accounting policies adopted in preparation of the Restated Consolidated Financial Information:

Basis of preparation

The Restated Consolidated Financial Information of the Group comprises of the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the six months' period ended September 30, 2024 and years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the Summary of Material Accounting Policies and explanatory notes (collectively, the "**Restated Consolidated Financial Information**").

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus (the "**DRHP**") 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") and the Registrar of Companies, in connection with the proposed initial public offer of

equity shares of face value of Rs. 2 each of the Group (the "Offering"), to be prepared by the Group in connection with its proposed initial public offer of equity shares (the "IPO") prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("**the Act**");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**ICDR Regulations**"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "**Guidance Note**") These Restated Consolidated Financial Information have been compiled by the management from:

The audited special purpose interim consolidated financial statements of the Group as at and for the six months' period ended September 30, 2024 prepared in accordance with Indian Accounting Standard ("**Ind AS**") 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles accepted in India ("**Special Purpose Interim Consolidated Financial Statements**"), which have been approved by the Board of Directors at their meeting held on ;

The audited special purpose financial statements of the Group as at and for the years ended March 31, 2024 (the "**2024 Special Purpose Consolidated Financial Statements**"), March 31, 2023 (the "**2023 Special Purpose Consolidated Financial Statements**") and March 31, 2022 (the "**2022 Special Purpose Consolidated Financial Statements**") (collectively referred to as "**Special Purpose Consolidated Financial Statements**") prepared in accordance with the Indian Accounting Standards ("**Ind AS**"), prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 16, 2024.

Special Purpose Consolidated Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information which will be included in DRHP in relation to the proposed IPO, which requires financial statements of all the periods included, to be presented under Ind AS. As such, Special Purpose Consolidated Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

During the year ended March 31, 2024, pursuant to a special resolution passed in extra-ordinary general meeting dated July 14, 2023, shareholders have approved the sub-division of equity shares of the Group from 17,84,858 fully paid up equity shares of face value of ₹10/- each into 8,924,290 fully paid up equity shares of face value ₹2/- each (the "**Split**") and the issuance of bonus shares to equity shareholders in the ratio of 17:4 (the "**Bonus**"). As required under Ind AS 33 "Earning per share" the effect of such Bonus / Split is required to be adjusted for the purpose of computing earnings per share for all the periods presented retrospectively. As a result, the effect of the Bonus and Split has been considered in these Restated Consolidated Financial Information for the purpose of calculating of earning per share for all the periods presented (Refer Note of the Restated Consolidated Financial Information)

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements as at and for the six months' period ended September 30, 2024.

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting for adoption of the Special Purpose Interim Consolidated Financial Statements and Special Purpose Consolidated Financial Statements, except for the issue of bonus shares and shares split mentioned above.

The Restated Consolidated Financial Information:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2024, 2023 and 2022, to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the six months' period ended September 30, 2024, as applicable;

- b) do not require any adjustment for modification as there is no modification in the underlying audit reports on the Special Purpose Interim Consolidated Financial Statements and Special Purpose Consolidated Financial Statements.

The auditor's report dated on the 2024 Special Purpose Consolidated Financial Statements includes following emphasis of matter paragraph: Emphasis of Matter:

“Basis of preparation and restriction on distribution and use

We draw attention to Note 2.01 to the 2024 Special Purpose Consolidated Financial Statements, which describes the purpose and basis of preparation. The 2024 Special Purpose Consolidated Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the “ICDR Regulations”), which will be included in the Draft Red Herring Prospectus (“DRHP”) in connection with the proposed initial public Offering of the Company. As a result, the 2024 Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. The 2024 Special Purpose Consolidated Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.”

The auditor's report dated on the 2023 Special Purpose Consolidated Financial Statements includes following emphasis of matter paragraph: Emphasis of Matter:

“Basis of preparation and restriction on distribution and use

We draw attention to Note 2.01 to the 2023 Special Purpose Consolidated Financial Statements, which describes the purpose and basis of preparation. The 2023 Special Purpose Consolidated Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the “ICDR Regulations”), which will be included in the Draft Red Herring Prospectus (“DRHP”) in connection with the proposed initial public Offering of the Company. As a result, the 2023 Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. The 2023 Special Purpose Consolidated Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.”

The auditor's report dated on the 2022 Special Purpose Consolidated Financial Statements includes following emphasis of matter paragraph: Emphasis of Matter:

“Basis of preparation and restriction on distribution and use

We draw attention to Note 2.01 to the 2022 Special Purpose Consolidated Financial Statements, which describes the purpose and basis of preparation. The 2022 Special Purpose Consolidated Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the “ICDR Regulations”), which will be included in the Draft Red Herring Prospectus (“DRHP”) in connection with the proposed initial public Offering of the Company. As a result, the 2022 Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. The 2022 Special Purpose Consolidated Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.”

The Restated Consolidated Financial Information do not require any adjustments for the above mentioned Emphasis of Matter paragraphs. These Restated Consolidated Financial Information have been approved by the Board of Directors of the Group on December 16, 2024.

Basis of Measurement

The Restated Consolidated Financial Information have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments). The Restated Consolidated Financial Information are presented in Indian Rupees "INR Million" (Rupees Million) which is also the Group's functional currency. All values are rounded off to nearest two decimals , except when otherwise indicated.

Basis of Consolidation

Restated Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Significant accounting estimates, judgements and assumptions

- a. **Useful lives of property, plant and equipment and intangible assets:** Determination of the estimated useful life of tangible assets and intangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life specified in Schedule II of the Companies Act, 2013 and also as per management estimate for certain category of assets. Assumption also need to be made, when group assesses, whether as asset may be capitalized and which components of the cost of the assets may be capitalized.
- b. **Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against group as it is not possible to predict the outcome of pending matters with accuracy.
- c. **Fair value measurements and valuation processes:** Some of the Companies assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Group used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements such as Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- d. **Estimation of defined benefit plans:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post- employment benefit obligation.
- e. **Tax expense:** Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Group determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions,

and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

- f. **Operating lease commitments - Group as lessee:** The Group has entered into lease agreement for office premises and leasehold land. The Group has determined based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the asset and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-refundable taxes and duties, borrowing costs and directly attributable costs of bringing the asset to its present location and condition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of profit and loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

Depreciation

Depreciation on property, plant and equipment is provided on 'Written Down Value' ("WDV") method, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013. Depreciation commences when the assets are ready for their intended use. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Restated Consolidated Statement of profit and loss.

The estimated useful lives are as follows:

Assets	Useful life (years)
Land (Freehold)	-
Building	30
Plant and Machinery	15
Furnitures and Fixtures	10
Electric Installation	10
Lab Equipments	10
Vehicles	8 to 10
Factory/Office Equipment	5
Computers	3 to 6

Intangible Assets

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses. Amortisation is recognised in profit or loss on a diminishing balance method over the estimated useful lives of respective intangible assets.

The estimated useful lives are as follows:

Assets	Useful life (years)
Computer Software	3 to 6

Intangible assets are amortised in profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Impairment of property, plant and equipment and intangible assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Group's each class of the property, plant and equipment or intangible assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amount approximates fair value due to short term maturity of these instruments.

The Group recognises the transfer between the levels of fair value hierarchy at the end of the reporting period during which the changes have occurred.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarize accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (Note 33)
- Financial instruments (including those carried at amortized cost) (Note 33)

Revenue

Revenue from contracts with customers is recognised 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 allocated to that performance obligation.

Sale of products:

Revenue from sale of products is recognised when the control of 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.

Rendering of services:

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Other income:

Revenue in respect of overdue interest, insurance claims, etc. is recognised to the extent the Group is reasonably certain of its ultimate realisation.

Interest / Dividend income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established. Interest from customers on delayed payments are recognised when there is a certainty of realisation.

Export Incentive / Duty drawback:

Export incentives are recognised when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

Inventories

Inventories are valued at the lower of cost (including purchase cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

Raw materials, packing materials and stores and spares are valued at cost computed on weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Finished goods produced and work-in-progress are carried at lower of net realisable value and cost (including purchase cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition), computed on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Taxes

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Income tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Income tax assets and Income tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is recognised using balance sheet approach at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to

be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in a year when asset is realised or the liability is expected to be settled based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing Income tax where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

KEY COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Set forth below are the key components of our statement of profit and loss from our continuing operations:

Total Income

Our total income comprises (i) revenue from operations; and (ii) other income.

Revenue from Operations

Revenue from operations comprises (i) sale of products, which includes domestic sales and overseas sales; and (ii) other operating revenues, which includes job work, export incentive and others

Other Income

Our other income primarily comprises interest income on bank deposits, interest income on unwinding of security deposits, liabilities no longer required written back and miscellaneous income.

Expenses

Our expenses primarily comprise (i) cost of materials consumed; (ii) changes in inventories of finished goods and work-in-progress; (iii) employee benefits expenses; (iv) finance costs; (v) depreciation and amortisation expense; and (vi) other expenses.

Cost of materials consumed

Cost of materials consumed primarily comprises of purchase of raw materials required for our business operations.

Changes in inventories of finished goods and work-in-progress

Changes in inventories of stock-in-trade comprise opening stock and closing stock of (i) finished goods; (ii) finished goods in transit; and (iii) work-in-progress.

Employee benefits expenses

Employee benefit expense primarily comprises salaries, wages and bonus, gratuity expense, contributions to provident and other funds and staff welfare expenses.

Finance Costs

Finance cost primarily comprise interest on lease liabilities, interest on working capital demand loan and interest on term loan.

Depreciation and amortisation expense

Depreciation and amortisation expense primarily comprise depreciation of property, plant and equipment, amortisation of right-of-use assets and amortisation of intangible assets.

Other expenses

Other expenses primarily comprise consumption of packing materials and stores and spare parts, rates and taxes, net foreign exchange gain/ loss, legal and professional charges, travelling and conveyance, power and fuel, insurance charges, security charges, corporate social responsibility, auditor's remuneration and miscellaneous expenses.

Profit before tax

Tax Expense

Profit for the period

RESULTS OF OPERATIONS

The following tables set forth our selected financial data from our restated consolidated statement of profit and loss for the six month ended September 30, 2024 and Fiscals 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income:

Sr. No.	Particulars	Six months ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount (₹ in million)	% of total income	Amount (₹ in million)	% of total income	Amount (₹ in million)	% of total income	Amount (₹ in million)	% of total income
1.	Income								
	Revenue from operations	2,048.94	99.21	4,524.52	99.61	4,247.93	99.93	3,143.29	99.17
	Other income	16.22	0.79	17.73	0.39	3.00	0.07	26.44	0.83
	Total Income	2,065.16	100.00	4,542.25	100.00	4,250.93	100.00	3,169.73	100.00
2.	Expenses								
	Cost of materials consumed	1,659.61	80.36	3,444.24	75.83	3,165.12	74.46	2,717.60	85.74
	Changes in inventories of finished goods and work-in-progress	(84.33)	(4.08)	(32.68)	(0.72)	8.71	0.20	(335.31)	(10.58)
	Employee benefits expense	62.09	3.01	111.34	2.45	108.07	2.54	93.18	2.94
	Finance costs	24.25	1.17	62.70	1.38	56.40	1.33	31.12	0.98
	Depreciation and amortization expense	35.28	1.71	62.63	1.38	47.57	1.12	43.31	1.37
	Other expenses	116.01	5.62	218.08	4.80	304.17	7.16	176.18	5.56
	Total expenses	1,812.91	87.79	3,866.31	85.12	3,690.04	86.81	2,726.08	86.00
3.	Profit before tax (1-2)	252.25	12.21	675.94	14.88	560.89	13.19	443.65	14.00
4.	Tax expenses								
	Current tax	68.72	3.33	184.77	4.07	121.75	2.86	134.70	4.25
	Deferred tax	0.28	0.01	(4.44)	(0.10)	(7.58)	(0.18)	(2.50)	(0.08)
	Tax relating to prior years	-	-	(5.43)	(0.12)	-	-	(0.41)	(0.01)
	Total tax expenses	69.00	3.34	174.90	3.85	114.17	2.68	131.79	4.16
5.	Profit after tax	183.25	8.87	501.04	11.03	446.72	10.51	311.86	9.84

SIX MONTHS ENDED SEPTEMBER 30, 2024

Total Income

Our total income for the six month ended September 30, 2024 was ₹ 2,065.16 million which primarily included revenue from operations of ₹ 2,048.94 million and other income of ₹ 16.22 million.

Revenue from Operations

Our revenue from operations for the six month ended September 30, 2024 was ₹ 2,048.94 million which primarily included sale of products of ₹ 2,010.52 million, consisting domestic sales of ₹ 1,156.22 million and export sales of ₹ 854.30 million, and other operating revenues of ₹ 38.42 million, consisting export incentive of ₹ 20.27 million and others of ₹ 18.15 million.

Other Income

Our other income for the six month ended September 30, 2024 was ₹ 16.22 million, which primarily included interest income on bank deposits of ₹ 6.93 million, interest income on unwinding of security deposits of ₹ 0.10 million, net foreign exchange gain of ₹ 4.35 million, profit on sale of property plant and equipment of ₹ 0.82 million, liabilities no longer required written back of ₹ 0.64 million and miscellaneous income of ₹ 3.38 million.

Expenses

Our total expenses for the six month ended September 30, 2024 was ₹ 1,812.91 million which primarily included cost of materials consumed, changes in inventories of finished goods and work-in-progress, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

Cost of materials consumed

Our cost of materials consumed for the six month ended September 30, 2024 was ₹ 1,659.61 million.

Changes in inventories of finished goods and work-in-progress

Our changes in inventories of finished goods and work-in-progress for the six month ended September 30, 2024 was ₹ (84.33) million which primarily included opening stock of ₹ 1,143.60 million and closing stock of ₹ 1,227.93 million.

Employee benefits expenses

Our employee benefits expenses for the six month ended September 30, 2024 was ₹ 62.09 million which primarily included salaries, wages and bonus of ₹ 59.62 million, gratuity expense of ₹ 0.57 million, contributions to provident and other funds of ₹ 1.38 million and staff welfare expenses of ₹ 0.52 million.

Finance Costs

Our finance costs for the six month ended September 30, 2024 was ₹ 24.25 million which primarily included interest on lease liabilities of ₹ 0.30 million, interest on working capital demand loan of ₹ 18.38 million, interest on term loan of ₹ 3.81 million, interest on others of ₹ 0.19 million and other finance cost (processing fees and other related cost) of ₹ 1.57 million.

Depreciation and amortisation expense

Our depreciation and amortisation expense for the six month ended September 30, 2024 was ₹ 35.28 million which primarily included depreciation of property, plant and equipment of ₹ 32.21 million, amortisation of right-of-use assets of ₹ 2.83 million and amortisation of intangible assets of ₹ 0.24 million

Other expenses

Our other expenses for the six month ended September 30, 2024 were ₹ 116.01 million which primarily included consumption of packing materials and stores and spare parts of ₹ 19.35 million, power and fuel of ₹ 14.73 million, insurance charges of ₹ 6.39 million, rates and taxes of ₹ 4.23 million, security charges of ₹ 2.21 million, repairs and maintenance expenses for factory of ₹ 3.50 million, repairs and maintenance expenses for others ₹ 2.40 million, selling and distribution expense of ₹ 34.06 million, loss on derivative forwards measured through profit and loss of ₹ 1.28 million, legal and professional charges of ₹ 7.29 million, travelling and conveyance of ₹ 3.83

million, corporate social responsibility of ₹ 5.57 million, auditor's remuneration of ₹ 0.96 million and miscellaneous expenses of ₹ 10.21 million.

Profit before tax

Our profit/loss before tax for the six month period ended was ₹ 252.25 million.

Tax Expense

Our total tax expense for the six month period ended September 30, 2024 was ₹ 69.00 million, comprising current tax of ₹ 68.72 million and deferred tax of ₹ 0.28 million.

Profit for the period

Our profit for the period for the six month period ended September 30, 2024 was ₹ 183.25 million.

FISCAL 2024 COMPARED TO FISCAL 2023

Total Income

Our total income increased by 6.85 % to ₹ 4,542.25 million in Fiscal 2024 from ₹ 4,250.93 million in Fiscal 2023, primarily on account of the factors discussed below.

Revenue from Operations

Our revenue from operations increased by 6.51 % to ₹ 4,524.52 million in Fiscal 2024 from ₹ 4,247.93 million in Fiscal 2023, The primary reasons for this are discussed below.

Sale of products

Our sale of products increased by 6.62% to ₹ 4,470.29 million in Fiscal 2024 from ₹ 4,192.82 million in Fiscal 2023, primarily due to an increase in our domestic sales by 45.70% to ₹ 2,228.43 million in Fiscal 2024 from ₹ 1,529.49 million in fiscal 2023, which was partially offset by a decreased of 15.82% in export sales to ₹ 2,241.86 million in Fiscal 2024 from ₹ 2,663.33 million in Fiscal 2023.

Other operating revenues

Our other operating revenues decreased by 1.60% to ₹ 54.23 million in Fiscal 2024 from ₹ 55.11 million in Fiscal 2023, primarily due to a decrease of 100.00% in job work revenue to Nil in Fiscal 2024 from ₹ 3.10 million in Fiscal 2023 and decrease of 25.50% in other to ₹ 13.71 million in Fiscal 2024 from ₹ 18.40 million in Fiscal 2023, which was partially offset by an increase of 20.57% in export incentive to ₹ 40.52 million in Fiscal 2024 from ₹ 33.61 million in Fiscal 2023.

Other Income

Our other income increased by 492.11% to ₹ 17.73 million in Fiscal 2024 from ₹ 3.00 million in Fiscal 2023, primarily due to an increase of 11,292.12% in the interest income on bank deposits to ₹ 7.67 million in Fiscal 2024 from ₹ 0.07 million in Fiscal 2023, an increase of 21.12% in the interest income on unwinding of security deposits to ₹ 0.18 million in Fiscal 2024 from ₹ 0.15 million in Fiscal 2023, an increase of 100.00% in gain on derivative forwards measured through profit and loss to ₹ 8.34 million in Fiscal 2024 from Nil in Fiscal 2023, which was partially offset by decrease of 100.00% in profit on sale of property plant and equipment to Nil in Fiscal 2024 from ₹ 0.06 million in Fiscal 2023, a decrease of 3.65% in the liabilities no longer required written back to ₹ 0.52 million in Fiscal 2024 from ₹ 0.54 million in Fiscal 2023 and decrease of 53.35% in miscellaneous income to ₹ 1.02 million in Fiscal 2024 from ₹ 2.18 million in Fiscal 2023.

Expenses

Our total expenses increased by 4.78% to ₹ 3,866.31 million in Fiscal 2024 from ₹ 3,690.04 million in Fiscal 2023, primarily on account of the factors discussed below.

Cost of materials consumed

Our cost of materials consumed increased by 8.82% to ₹ 3,444.24 million in Fiscal 2024 from ₹ 3,165.12 million in Fiscal 2023. This increase was primarily due to an increase of 14.30% in raw materials purchased during the year to ₹ 3,727.53 million in Fiscal 2024 from ₹ 3,261.11 million in Fiscal 2023 owing to increase in sale of products.

Changes in inventories of finished goods and work-in-progress

Our changes in inventories of finished goods and work-in-progress decreased by 475.07% to ₹ (32.68) million in Fiscal 2024 from ₹ 8.71 million in Fiscal 2023.

Our opening stock of finished goods was ₹ 107.55 million for the year ended March 31, 2024, while it was ₹ 97.82 million for the year ended March 31, 2023. Our closing stock of finished goods was ₹ 117.99 million for the year ended March 31, 2024, while it was ₹ 107.55 million for the year ended March 31, 2023. Changes in inventories of finished goods was ₹ (10.44) million for the year ended March 31, 2024, while it was ₹ (9.73) million for the year ended March 31, 2023. The increase in stock is attributed to the rescheduling of certain deliveries to the next year, in accordance with our customers' requirements as well as to meet the increased demand from the customers.

Our opening stock of finished goods in transit was ₹ 397.06 million for the year ended March 31, 2024, while it was ₹ 428.68 million for the year ended March 31, 2023. Our closing stock of finished goods in transit was ₹ 227.78 million for the year ended March 31, 2024, while it was ₹ 397.06 million for the year ended March 31, 2023. Changes in inventories of finished goods in transit was ₹ 169.28 million for the year ended March 31, 2024, while it was ₹ 31.62 million for the year ended March 31, 2023. This increase was due to revenue recognition method under Ind AS.

Our opening stock of work-in-progress was ₹ 606.31 million for the year ended March 31, 2024, while it was ₹ 593.13 million for the year ended March 31, 2023. Our closing stock of work-in-progress was ₹ 797.83 million for the year ended March 31, 2024, while it was ₹ 606.31 million for the year ended March 31, 2023. Changes in inventories of work-in-progress was ₹ (191.52) million for the year ended March 31, 2024, while it was ₹ (13.18) million for the year ended March 31, 2023. This increase was due to maintain optimal levels of inventory to meet potential demand swiftly.

Employee benefits expenses

Our employee benefits expenses increased by 3.02% to ₹ 111.34 million in Fiscal 2024 from ₹ 108.07 million in Fiscal 2023, primarily due to an increase of 2.19% in salaries, wages and bonus to ₹ 107.11 million in Fiscal 2024 from ₹ 104.82 million in Fiscal 2023, an increase of 44.50% in gratuity expense to ₹ 1.06 million in Fiscal 2024 from ₹ 0.74 million in Fiscal 2023, an increase of 23.90% in contributions to provident and other funds to ₹ 2.42 million in Fiscal 2024 from ₹ 1.96 million in Fiscal 2023 and an increase of 37.39% in staff welfare expenses to ₹ 0.75 million in Fiscal 2024 from ₹ 0.55 million in Fiscal 2023. This increase was primarily due to an increase in workforce to 216 in Fiscal 2024 from 190 in Fiscal 2023.

Finance Costs

Our finance costs increased by 11.17% to ₹ 62.70 million in Fiscal 2024 from ₹ 56.40 million in Fiscal 2023, primarily due to an increase of 6.59% in interest on working capital demand loan to ₹ 52.64 million in Fiscal 2024 from ₹ 49.39 million in Fiscal 2023, an increase of 1,858.67% in the interest on term loan to ₹ 3.84 million in Fiscal 2024 from ₹ 0.20 million in Fiscal 2023 due to the new term loan obtained for our Dahej Facility in Fiscal 2023, an increase of 257.51% in the interest on statutory dues to ₹ 0.08 million in Fiscal 2024 from ₹ 0.02 million in Fiscal 2023 and an increase of 1,624.66% in the interest on others to ₹ 3.32 million in Fiscal 2024 from ₹ 0.19 million in Fiscal 2023, which was partially offset by a decrease of 2.44% in interest on lease liability to ₹ 0.91 million in Fiscal 2024 from ₹ 0.93 million in Fiscal 2023 and a decrease of 66.33% in the other financial cost (processing fees and other related cost) to ₹ 1.91 million in Fiscal 2024 from ₹ 5.67 million in Fiscal 2023.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 31.65% to ₹ 62.63 million in Fiscal 2024 from ₹ 47.57 million in Fiscal 2023. This increase was primarily due to increase of 32.87% in depreciation of property, plant and equipment to ₹ 56.57 million in Fiscal 2024 from ₹ 42.57 million in Fiscal 2023, an increase of 18.78% in

amortisation of right-of-use assets to ₹ 5.64 million in Fiscal 2024 from ₹ 4.75 million in Fiscal 2023 and an increase of 67.81% in amortisation of intangible assets to ₹ 0.42 million in Fiscal 2024 from ₹ 0.25 million in Fiscal 2023.

Other expenses

Our other expenses decreased by 28.31% to ₹ 218.08 million in Fiscal 2024 from ₹ 304.17 million in Fiscal 2023. This decrease was primarily due to a decrease of 9.03% in consumption of packing materials and stores and spare parts to ₹ 39.63 million in Fiscal 2024 from ₹ 43.56 million in Fiscal 2023, a decrease of 39.46% in selling and distribution expense to ₹ 55.14 million in Fiscal 2024 from ₹ 91.07 million in Fiscal 2023, a decrease of 32.11% in rates and taxes to ₹ 6.18 million in Fiscal 2024 from ₹ 9.11 million in Fiscal 2023, a decrease of 97.43% in net foreign exchange loss to ₹ 1.19 million in Fiscal 2024 from ₹ 46.43 million in Fiscal 2023, a decrease of 100.00% in loss on derivative forwards measured through profit and loss to Nil in Fiscal 2024 from ₹ 7.94 million in Fiscal 2023, a decrease of 10.53% in legal and professional charges to ₹ 23.34 million in Fiscal 2024 from ₹ 26.09 million in Fiscal 2023 and a decrease of 33.54% in travelling and conveyance to ₹ 6.16 million in Fiscal 2024 from ₹ 9.27 million in Fiscal 2023, which was partially offset by an increase of 21.84% in power and fuel to ₹ 37.34 million in Fiscal 2024 from ₹ 30.65 million in Fiscal 2023, an increase of 25.48% in insurance charges to ₹ 11.39 million in Fiscal 2024 from ₹ 9.08 million in Fiscal 2023, an increase of 105.33% in security charges to ₹ 5.07 million in Fiscal 2024 from ₹ 2.47 million in Fiscal 2023, an increase of 13.07% in repairs and maintenance of factory to ₹ 1.90 million in Fiscal 2024 from ₹ 1.68 million in Fiscal 2023, an increase of 14.59% in repairs and maintenance of others to ₹ 2.86 million in Fiscal 2024 from ₹ 2.50 million in Fiscal 2023, an increase of 34.83% in corporate social responsibility to ₹ 8.70 million in Fiscal 2024 from ₹ 6.45 million in Fiscal 2023, an increase of 6.80% in auditor's remuneration ₹ 1.72 million in Fiscal 2024 from ₹ 1.61 million in Fiscal 2023, an increase of 100.00% in loss on sale of property plant and equipment/ written off to ₹ 0.04 million in Fiscal 2024 from Nil in Fiscal 2023 and an increase of 7.15% in miscellaneous expenses to ₹ 17.42 million in Fiscal 2024 from ₹ 16.26 million in Fiscal 2023.

Profit before tax

Our profit before tax for Fiscal 2024 was ₹ 675.94 million as compared to ₹ 560.89 million for Fiscal 2023.

Tax Expense

Our total tax expense increased by 53.19% to ₹ 174.90 million in Fiscal 2024 from ₹ 114.17 million in Fiscal 2023, primarily due to an increase in profit before tax.

Profit for the period

Our profit for the period for Fiscal 2024 was ₹ 501.04 million as compared to ₹ 446.72 million for Fiscal 2023.

FISCAL 2023 COMPARED TO FISCAL 2022

Total Income

Our total income increased by 34.11% to ₹ 4,250.93 million in Fiscal 2023 from ₹ 3,169.73 million in Fiscal 2022, primarily on account of the factors discussed below.

Revenue from Operations

Our revenue from operations increased by 35.14% to ₹ 4,247.93 million in Fiscal 2023 from ₹ 3,143.29 million in Fiscal 2022, The primary reasons for this are discussed below.

Sale of products

Our sale of products increased by 34.73% to ₹ 4,192.82 million in Fiscal 2023 from ₹ 3,111.95 million in Fiscal 2022, primarily due to an increase in our domestic sales by 20.02% to ₹ 1,529.49 million in Fiscal 2023 from ₹ 1,274.36 million in Fiscal 2022 and an increase of 44.94% in export sales to ₹ 2,663.33 million in Fiscal 2023 from ₹ 1,837.59 million in Fiscal 2022.

Other operating revenues

Our other operating revenues increased by 75.84% to ₹ 55.11 million in Fiscal 2023 from ₹ 31.34 million in Fiscal 2022, primarily due to an increase of 22.49% in export incentive to ₹ 33.61 million in Fiscal 2023 from ₹ 27.44 million in Fiscal 2022, an increase of 103.61% in job work revenue to ₹ 3.10 million in Fiscal 2023 from ₹ 1.52 million in Fiscal 2022 and increase of 672.77% in other to ₹ 18.40 million in Fiscal 2023 from ₹ 2.38 million in Fiscal 2022.

Other Income

Our other income decreased by 88.67% to ₹ 3.00 million in Fiscal 2023 from ₹ 26.44 million in Fiscal 2022, primarily due a decrease of 100.00% in interest income on others to Nil in Fiscal 2023 from ₹ 0.04 million in Fiscal 2022, a decrease of 100.00% in net foreign exchange gain to Nil in Fiscal 2023 from ₹ 15.12 million in Fiscal 2022, a decrease of 100.00% in gain on derivative forwards measured through profit and loss to Nil in Fiscal 2023 from ₹ 9.27 in million in Fiscal 2022 and a decrease of 55.96% in the liabilities no longer required written back to ₹ 0.54 million in Fiscal 2023 from ₹ 1.22 million in Fiscal 2022, which was partially offset by an increase of 78.10% in the interest income on bank deposits to ₹ 0.07 million in Fiscal 2023 from ₹ 0.04 million in Fiscal 2022, an increase of 9.33% in the interest income on unwinding of security deposits to ₹ 0.15 million in Fiscal 2023 from ₹ 0.14 million in Fiscal 2022 and an increase 260.58% in miscellaneous income to ₹ 2.18 million in Fiscal 2023 from ₹ 0.61 million in Fiscal 2022.

Expenses

Our total expenses increased by 35.36% to ₹ 3,690.04 million in Fiscal 2023 from ₹ 2,726.08 million in Fiscal 2022, primarily on account of the factors discussed below.

Cost of materials consumed

Our cost of materials consumed increased by 16.47% to ₹ 3,165.12 million in Fiscal 2023 from ₹ 2,717.60 million in Fiscal 2022. This increase was primarily due to an increase of 17.97% in raw materials purchased during the year to ₹ 3,261.11 million in Fiscal 2023 from ₹ 2,764.42 million in Fiscal 2022.

Changes in inventories of finished goods and work-in-progress

Our changes in inventories of finished goods and work-in-progress increased by 102.60% to ₹ 8.71 million in Fiscal 2023 from ₹ (335.31) million in Fiscal 2022.

Our opening stock of finished goods was ₹ 97.82 million for the year ended March 31, 2023, while it was ₹ 178.57 million for the year ended March 31, 2022. Our closing stock of finished goods was ₹ 107.55 million for the year ended March 31, 2023, while it was ₹ 97.82 million for the year ended March 31, 2022. Changes in inventories of finished goods was ₹ (9.73) million for the year ended March 31, 2023, while it was ₹ 80.75 million for the year ended March 31, 2022. This decrease was due to certain significant orders being completed as per the schedule.

Our opening stock of finished goods in transit was ₹ 428.68 million for the year ended March 31, 2023, while it was ₹ 151.87 million for the year ended March 31, 2022. Our closing stock of finished goods in transit was ₹ 397.06 million for the year ended March 31, 2023, while it was ₹ 428.68 million for the year ended March 31, 2022. Changes in inventories of finished goods in transit was ₹ 31.62 million for the year ended March 31, 2023, while it was ₹ (276.81) million for the year ended March 31, 2022. This increase was due to revenue recognition method under Ind AS.

Our opening stock of work-in-progress was ₹ 593.13 million for the year ended March 31, 2023, while it was ₹ 453.88 million for the year ended March 31, 2022. Our closing stock of work-in-progress was ₹ 606.31 million for the year ended March 31, 2023, while it was ₹ 593.13 million for the year ended March 31, 2022. Changes in inventories of work-in-progress was ₹ (13.18) million for the year ended March 31, 2023, while it was ₹ (139.24) million for the year ended March 31, 2022. This increase was due to maintain optimal levels of inventory to meet potential demand swiftly.

Employee benefits expenses

Our employee benefits expenses increased by 15.99% to ₹ 108.07 million in Fiscal 2023 from ₹ 93.18 million in Fiscal 2022, primarily due to an increase of 16.20% in salaries, wages and bonus to ₹ 104.82 million in Fiscal 2023 from ₹ 90.21 million in Fiscal 2022, an increase of 19.18% in gratuity expense to ₹ 0.74 million in Fiscal 2023 from ₹ 0.62 million in Fiscal 2022, an increase of 7.33% in contributions to provident and other funds to ₹ 1.96 million in Fiscal 2023 from ₹ 1.82 million in Fiscal 2022 and an increase of 2.44% in staff welfare expenses to ₹ 0.55 million in Fiscal 2023 from ₹ 0.53 million in Fiscal 2022. This increase was primarily due to an increase in workforce to 190 in Fiscal 2023 from 148 in Fiscal 2022.

Finance Costs

Our finance costs increased by 81.21% to ₹ 56.40 million in Fiscal 2023 from ₹ 31.12 million in Fiscal 2022, primarily due to an increase of 95.04% in interest on working capital demand loan to ₹ 49.39 million in Fiscal 2023 from ₹ 25.32 million in Fiscal 2022, an increase of 95.82% in the interest on term loan to ₹ 0.20 million in Fiscal 2023 from ₹ 0.10 million in Fiscal 2022, an increase of 100.00% in the interest on statutory dues to ₹ 0.02 million in Fiscal 2023 from Nil in Fiscal 2022, an increase of 17,507.26% in the interest on others to ₹ 0.19 million in Fiscal 2023 from ₹ 0.00 million in Fiscal 2022 and an increase of 26.87% in the other financial cost (processing fees and other related cost) to ₹ 5.67 million in Fiscal 2023 from ₹ 4.47 million in Fiscal 2022, which was partially offset by a decrease of 24.34% in interest on lease liability to ₹ 0.93 million in Fiscal 2023 from ₹ 1.23 million in Fiscal 2022.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 9.84% to ₹ 47.57 million in Fiscal 2023 from ₹ 43.31 million in Fiscal 2022. This increase was primarily due to increase of 11.31% in depreciation of property, plant and equipment to ₹ 42.57 million in Fiscal 2023 from ₹ 38.25 million in Fiscal 2022, an increase of 4.35% in amortisation of right-of-use assets to ₹ 4.75 million in Fiscal 2023 from ₹ 4.55 million in Fiscal 2022, which was partially offset by a decrease by 50.85% in amortisation of intangible assets to ₹ 0.25 million in Fiscal 2023 from ₹ 0.51 million in Fiscal 2022.

Other expenses

Our other expenses increased by 72.65% to ₹ 304.17 million in Fiscal 2023 from ₹ 176.18 million in Fiscal 2022. This increase was primarily due to an increase of 14.72% in consumption of packing materials and stores and spare parts to ₹ 43.56 million in Fiscal 2023 from ₹ 37.97 million in Fiscal 2022, an increase of 15.41% in insurance charges to ₹ 9.08 million in Fiscal 2023 from ₹ 7.87 million in Fiscal 2022, an increase of 15,000.87% in rates and taxes to ₹ 9.11 million in Fiscal 2023 from ₹ 0.06 million in Fiscal 2022, an increase of 15.28% in security charges to ₹ 2.47 million in Fiscal 2023 from ₹ 2.14 million in Fiscal 2022, an increase of 52.75% in repairs and maintenance of factory to ₹ 1.68 million in Fiscal 2023 from ₹ 1.10 million in Fiscal 2022, an increase of 58.90% in sales and distribution expense to ₹ 91.07 million in Fiscal 2023 from ₹ 57.31 million in Fiscal 2022, an increase of 100.00% in net foreign exchange loss to ₹ 46.43 million in Fiscal 2023 from Nil in Fiscal 2022, an increase of 100.00% in loss on derivative forwards measured through profit and loss to ₹ 7.94 million in Fiscal 2023 from Nil in Fiscal 2022, an increase of 80.46% in legal and professional charges to ₹ 26.09 million in Fiscal 2023 from ₹ 14.46 million in Fiscal 2022, an increase of 172.28% in travelling and conveyance to ₹ 9.27 million in Fiscal 2023 from ₹ 3.41 million in Fiscal 2022, an increase of 140.69% in corporate social responsibility to ₹ 6.45 million in Fiscal 2023 from ₹ 2.68 million in Fiscal 2022 and an increase of 32.16% in miscellaneous expenses to ₹ 16.26 million in Fiscal 2023 from ₹ 12.30 million in Fiscal 2022, which was partially offset by a decrease of 2.00% in power and fuel to ₹ 30.65 million in Fiscal 2023 from ₹ 31.27 million in Fiscal 2022, a decrease of 29.38% in repair and maintenance of others to ₹ 2.50 million in Fiscal 2023 from ₹ 3.54 million in Fiscal 2022, a decrease of 10.03% in auditor's remuneration to ₹ 1.61 million in Fiscal 2023 from ₹ 1.79 million in Fiscal 2022 and a decrease of 100.00% in loss on sale of property plant & equipment/ written off to Nil in Fiscal 2023 from ₹ 0.28 million in Fiscal 2022.

Profit before tax

Our profit before tax for Fiscal 2023 was ₹ 560.89 million as compared to ₹ 443.65 million for Fiscal 2022.

Tax Expense

Our total tax expense decreased by 13.37% to ₹ 114.17 million in Fiscal 2023 from ₹ 131.79 million in Fiscal 2022, primarily due to a decrease in profit before tax.

Profit for the period

Our profit for the period for Fiscal 2023 was ₹ 446.72 million as compared to ₹ 311.86 million for Fiscal 2022.

LIQUIDITY AND CAPITAL RESOURCES

Capital Requirements

Our principal capital requirements are for working capital and ongoing projects. Our principal source of funding is expected to continue to be cash generated from our operations and supplemented by borrowings from banks and financial institutions and optimization of operating working capital. For the six months ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we met our funding requirements, including satisfaction of debt obligations, capital expenditure, investments, other working capital requirements and other cash outlays, principally with funds generated from operations, optimization of operating working capital with the balance met from external borrowings.

Liquidity

Our liquidity requirements arise principally from our operating activities, repayment of borrowings and debt service obligations. Historically, our principal sources of funding have included cash from operations, short-term and long-term borrowings from financial institutions, cash and cash equivalents.

Cash

Our anticipated cash flows are dependent on various factors that are beyond our control. For details, please see “*Risk Factors – Internal Risk Factors – 33. We have had negative cash flows in the past and any negative cash flows in the future could adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.*” on page 50. Certain information relating to our cash flows for the six month ended September 30, 2024 and Fiscals 2024, 2023 and 2022 is provided below:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	<i>(in ₹ million)</i>			
Net cash generated from/ (used in) operating activities	174.58	276.27	153.16	(52.03)
Net cash used in investing activities	(392.35)	(383.75)	(143.58)	(140.14)
Net cash generated from financing activities	115.29	151.79	64.38	180.94
Net increase/ (decrease) in cash and cash equivalents	(102.48)	44.31	73.96	(11.23)
Cash and cash equivalents at the end of the period	56.54	158.84	105.83	64.98

Six months ended September 30, 2024

We generated ₹ 174.58 million net cash from operating activities during the six months ended September 30, 2024. Profit before tax for the year after share of profit of associate for the six month ended September 30, 2024 was ₹ 252.25 million. Adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of depreciation and amortization, interest on lease liabilities, finance cost, which was partially offset by interest income, foreign exchange loss, net unrealised fair value loss on forward contracts and net loss on sale of property, plant and equipment.

Our adjustments for working capital changes for the six month ended September 30, 2024 primarily consisted of increase in inventories, decrease in trade receivables, decrease in other assets, increase in trade payables and decrease in other liabilities.

Cash generated from operations for the six month ended September 30, 2024 amounted to ₹ 292.39 million. This was offset by tax paid – net of refund.

Net cash used in investing activities was ₹ 392.35 million during the six months ended September 30, 2024, primarily on account of purchase of property, plant and equipment and intangible assets, which was partially offset by sale of property, plant and equipment and interest income.

Net cash generated from financing activities was ₹ 115.29 million during the six months ended September 30, 2024, primarily on account of proceeds from current borrowings and proceeds from non-current borrowings (includes current maturities of long-term borrowings). This was partially offset by repayment of current borrowings, repayment of non-current borrowings, interest paid and payment of lease liabilities including interest.

Fiscal 2024

We generated ₹ 276.27 million net cash from operating activities during Fiscal 2024. Profit before tax and after share of profit of associate for Fiscal 2024 was ₹ 675.94 million. Adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of depreciation and amortization, interest on lease liabilities, finance cost, foreign exchange gain, net unrealised fair value gain on forward contracts and net profit on sale of property, plant and equipment, which was partially offset by interest income.

Our adjustments for working capital changes for Fiscal 2024 primarily consisted of increase in inventories, decrease in trade receivables, increase in other assets, decrease in trade payables and decrease in other liabilities.

Cash generated from operations in Fiscal 2024 amounted to ₹ 434.80 million. This was offset by tax paid – net of refund.

Net cash used in investing activities was ₹ 383.75 million in Fiscal 2024, primarily on account of purchase of property, plant and equipment and intangible assets, which was partially offset by sale of property, plant and equipment and interest income.

Net cash generated from financing activities was ₹ 151.79 million in Fiscal 2024, primarily on account of proceeds from current borrowings and proceeds from non-current borrowings (includes current maturities of long-term borrowings). This was partially offset by repayment of current borrowings, repayment of non-current borrowings, interest paid and payment of lease liabilities including interest.

Fiscal 2023

We generated ₹ 153.16 million net cash used in operating activities during Fiscal 2023. Profit before tax and after share of profit of associate for Fiscal 2023 was ₹ 560.89 million. Adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of depreciation and amortization, interest on lease liabilities, finance cost, foreign exchange gain and net unrealised fair value gain on forward contracts, which was partially offset by interest income and net loss on sale of property, plant and equipment.

Our adjustments for working capital changes for Fiscal 2023 primarily consisted of increase in inventories, increase in trade receivables, decrease in other assets, increase in trade payables and increase in other liabilities.

Cash generated from operations in Fiscal 2023 amounted to ₹ 328.49 million. This was offset by tax paid – net of refund.

Net cash used in investing activities was ₹ 143.58 million in Fiscal 2023, primarily on account of purchase of property, plant and equipment and intangible assets, which was partially offset by interest income.

Net cash generated from financing activities was ₹ 64.38 million in Fiscal 2023 primarily on account of proceeds from current borrowings and proceeds from non-current borrowings (includes current maturities of long-term borrowings). This was partially offset by repayment of current borrowings, repayment of non-current borrowings, interest paid and payment of lease liabilities including interest.

Fiscal 2022

We used ₹ 52.03 million net cash for operating activities during Fiscal 2022. Profit before tax and after share of profit of associate for Fiscal 2022 was ₹ 443.65 million. Adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of depreciation and amortization, interest on lease

liabilities, finance cost, and net gain on sale of property, plant and equipment, which was partially offset by interest income, foreign exchange gain and net unrealised fair value loss on forward contracts.

Our adjustments for working capital changes for Fiscal 2022 primarily consisted of increase in inventories, increase in trade receivables, increase in other assets, increase in trade payables and increase in other liabilities.

Cash generated from operations in Fiscal 2022 amounted to ₹ 59.32 million. This was offset tax paid – net of refund.

Net cash used in investing activities was ₹ 140.14 million in Fiscal 2022, primarily on account of purchase of property, plant and equipment and intangible assets, which was partially offset by sale of property, plant and equipment and interest income.

Net cash generated from financing activities was ₹ 180.94 million in Fiscal 2022, primarily on account of proceeds from current borrowings and proceeds from non-current borrowings (includes current maturities of long-term borrowings). This was partially offset by repayment of non-current borrowings, interest paid and payment of lease liabilities including interest.

CAPITAL EXPENDITURE

In the six months ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, our closing value for property, plant and equipment were ₹ 404.90 million, ₹ 402.76 million, ₹ 263.26 million and ₹ 258.45 million, respectively.

BORROWINGS

As of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, we had total outstanding borrowings of ₹ 1,253.50 million, ₹ 1,111.25 million, ₹ 893.61 million and ₹ 769.21 million. For further details see, “*Financial Indebtedness*” beginning on page 357.

CONTINGENT LIABILITIES AND COMMITMENTS

As on September 30, 2024, we had the following contingent liabilities and commitments not acknowledged as debts, as derived from our Restated Consolidated Financial Information:

<i>(in ₹ million)</i>	
Particulars	As on September 30, 2024
I. Contingent liabilities:	
(a) Claims against our Company not acknowledged as debt	
Under customs regulations	300.77
Under income tax act	56.66
Under goods and services tax act	40.49
Under MSMED act	0.55
Under Uttar Pradesh trade tax regime	176.48
Total contingent liabilities	574.95
II. Commitments:	
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	
(i) Capital commitments entered by our Company	404.83
(b) Other commitments	
(i) Other Commitments - Corporate Guarantee	883.00
Total Commitments	1,287.83

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Board is responsible for developing and monitoring the Group’s risk management policies. The Board holds regular meetings on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which Group operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Group, market intelligence and goodwill. Outstanding customer receivables are regularly monitored. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables and other receivables.

Cash and cash equivalents and other bank balances

The Group held cash and cash equivalents and other bank balances of ₹ 66.82 million as at September 30, 2024 (March 31, 2024: ₹ 285.71 million, March 31, 2023: ₹ 105.94 million, March 31, 2022: ₹ 65.08 million). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Loans

Loan is given to related parties for which credit risk is managed by monitoring the recoveries of such amounts on regular basis. The Group does not perceive any credit risk related to such loans given to subsidiary companies since these will have an additional financial support from promoters as and when necessary.

Other financial assets

Other financial assets measured at amortized cost includes deposits and capital advances for immovable properties etc. Credit risk related to these financial assets are managed by monitoring the recoveries of such amounts on regular basis and the Group does not perceive any credit risk related to these financial assets.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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. The Group has access to unused credit facility at the period ended ₹ 1,521.57 million as at September 30, 2024 (March 31, 2024: ₹ 1,775.84 million, March 31, 2023: ₹ 910.48 million March 31, 2022: ₹ 630.79 million) towards working capital needs as and when required.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors

RELATED PARTY TRANSACTIONS

We have entered into transactions with a number of related parties. For details of our related party transactions, see “*Restated Consolidated Financial Information – Note 32 - Related party transactions*” on page 308.

QUALIFICATIONS, RESERVATIONS AND ADVERSE REMARKS

There are no reservations, qualifications or adverse remarks highlighted by the auditors in their report to our Restated Consolidated Financial Information.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2024

Except as otherwise as set out in this Draft Red Herring Prospectus and mentioned below, to our knowledge and belief, no circumstances have arisen since the date of the last financial information contained in this Draft Red Herring Prospectus which materially affect, or are likely to affect, the business and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at six months period ended September 30, 2024, on the basis of amounts derived from the Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections "*Management's Discussion and Analysis of Financial Position and Results of Operations*", "*Restated Consolidated Financial Information*" and "*Risk Factors*" beginning on pages 329, 270 and 29, respectively.

Particulars	Pre-Offer (as of September 30, 2024)^	Post Offer#
Current borrowings* (A)	718.59	[●]
Non-current borrowings (including current maturity)* (B)	534.91	[●]
Total Borrowings (A+B = C)	1,253.50	[●]
Equity share capital* (D)	93.71	[●]
Other equity* (E)	2,394.92	[●]
Total Equity (D+E = F)	2,488.63	[●]
Debt Equity Ratio (C/F = G)	0.50	[●]
Current Borrowings / Total Equity (in times) [A/F = J]	0.29	[●]
Non-current Borrowings / Total Equity (in times) [B/F = H]	0.21	[●]

(₹ in million, except ratios)

As certified by M/s Chhajed & Doshi, Chartered Accountants, by way of their certificate dated December 28, 2024.

*These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).

^The above has been computed on the basis of the Restated Consolidated Statements of Assets and Liabilities of the Company.

#These amounts (as adjusted for the Offer) are not determinable at this stage pending the completion of the book building process and hence have not been provided in the statement above.

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail fund based and non-fund based facilities in the ordinary course of business for purposes of working capital requirements or business requirements. For details of the borrowing powers of our Board, see “**Our Management - Borrowing Powers of our Board**” on page 249.

Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, including effecting a change in our capital structure, change in our shareholding pattern, amending the Memorandum of Association and Articles of Association of our Company, change in the management or board composition, as applicable.

Set forth below is a brief summary our aggregate outstanding borrowings amounting to ₹ 1,535.83 million, on a consolidated basis, as on October 31, 2024:

<i>(in ₹ million)</i>		
Category of borrowing	Sanctioned Amount	Amount outstanding as on October 31, 2024
Secured		
Fund based borrowings		
Term loans	687.09	588.84
Working capital loans*	1,990.00	946.99
Unsecured		
Total unsecured borrowings	Nil	Nil
Total borrowings	2,677.09	1,535.83

As certified by M/s Chhajed & Doshi, Chartered Accountants, by way of their certificate dated December 28, 2024.

**Including non-fund based borrowings in the form of a) letter of credit amounting to ₹640.00 million and b) bank guarantee amounting to ₹10.00 million, as sub-limit of working capital loans.*

All indicative key terms of our borrowings are disclosed below:

1. **Interest:** The Company financing arrangements typically have floating rates of interest linked to a base rate, as specified by respective lenders and the spread per annum. The spread varies among different loans. The rate of interest for the working capital facilities typically ranges from 7.75% per annum to 8.25% per annum. The rate of interest for the term loans typically ranges from 7.10% per annum to 8.25% per annum. Further a 2.00% commission is applicable on the bank guarantee facility availed by the Company. All interest rates mentioned are exclusive of interest subvention.
2. **Penal Interest:** The terms of certain financing facilities availed by the Company prescribes penalties for non-compliance of certain obligations by the Company. These include, *inter alia*, delay in payment of or non-payment of instalments or interest, irregularity in cash credit, non-submission / delay in stock statement, non-submission of renewal data, non-compliance with covenants, use of funds for anything other than the purpose for which the loan was availed, non-payment / non acceptance of demand / usance bills of exchange on presenting at due dates etc.
3. **Pre-payment:** The terms of facilities availed by the Company allows for pre-payment of the outstanding loan amount without any charges.
4. **Validity/Tenor:** The working capital facilities availed by the Company are typically available for a period of up to 12 months, subject to periodic review by the relevant lender. The tenor of the term loans availed by the Company typically range from 39 to 80 months with a moratorium period of 11 eleven months for certain borrowings. Further, the non-fund based facilities availed by the Company are typically valid for up to 12 months and are subjected to periodic renewal by the relevant lender.
5. **Repayment:** The working capital facilities availed by the Company are typically repayable on demand or on their respective due dates within the maximum tenure, in accordance with the relevant financing documentation. The term loans are typically repayable in structured monthly instalments.

6. **Security:** All the borrowings of the Company are secured by way of inter alia:
- (a) pari passu charge on current assets of the Company, both present and future, by way of hypothecation;
 - (b) pari passu charge on movable fixed assets and immovable fixed assets of the Company by way of mortgage.

Further, in case of borrowings of one Subsidiary, the Company has provided corporate guarantee.

7. **Restrictive Covenants:** Certain financing arrangements entered into by the Company contain restrictive covenants. An indicative list of such restrictive covenants is disclosed below.

The Company shall not without the prior approval of its lenders:

- i. Mortgage, lease, surrender or alienate property or any part thereof;
 - ii. Enter into any scheme of merger, consolidation, re-organization, scheme of arrangement or compromise or reconstruction;
 - iii. Declare any dividend if it fails to meet its interest payment obligations, make any investments by way of share capital or debentures and/ or advance funds to any party other than in the normal course of business;
 - iv. Change or cause to change its shareholding pattern and/or extent and nature of holding of the body corporate and/ or its directors/ partners/ designated partner and/or its constituent documents in the nature of Memorandum of Association;
 - v. Permit any significant change in the nature of business of the Company, ownership or control of the Company; and
 - vi. Undertake any guarantee obligations on behalf of any third party.
8. **Events of Default:** The financing arrangements entered into by the Company contain standard events of default, including:
- i. Default in performance of covenants, conditions or agreements in respect of the loan;
 - ii. Default in payment of EMIs or any other amounts due to the lender;
 - iii. Any unauthorised modification in the shareholding pattern of the Company including issuance of new shares in the share capital of the Company;
 - iv. Any action taken or legal proceedings initiated for winding up, dissolution, or re-organisation or for appointment of receiver, trustee or similar officer of any of Company's assets; and
 - v. Any information provided by the Company for financial assistance found to be misleading or incorrect in any material respect.

The details above are indicative and there are additional terms that may amount to an event of default under the financing arrangements entered into by the Company and its Subsidiaries. The Company is required to ensure that the aforementioned events of default and other events of default, as specified under the agreements relating to the financing arrangements entered into by the Company and its Subsidiaries, are not triggered.

9. **Consequences of Events of Default:** The financing arrangements entered into by the Company set out the consequences of occurrence of events of default, including:

- i. Obligation on part of the lender to make or continue to make the loan available, stands

terminated;

- ii. The lender may demand all or any part of the amount due together with accrued interest and all other amounts accrued shall become due and payable immediately;
- iii. The lender may, without any prior notice to the Company, enforce any and/or all security created in its favour;
- iv. The lender may levy additional/ default interest;
- v. The lender may apply or appropriate or set off any credit balance standing on the Company's account with the lender towards satisfaction of any sum due;
- vi. The lender may invoke personal/ corporate guarantees of the guarantors or any other contractual comfort that may have been provided;
- vii. The lender may cancel the undrawn commitment and suspend withdrawals under the facility.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by us, and the same may lead to consequences other than those stated above. For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see “***Risk Factors – Internal Risk Factors – 39. Our inability to meet our obligations under our debt financing arrangements could adversely affect our business, results of operations and cash flows. Financing agreements includes certain conditions and restrictive covenants. This may limit our ability to pursue business and limit flexibility in planning for, or reacting to, changes in our business or industry.***” on page 53.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (a) criminal proceedings (including first information reports where no/ some cognizance has been taken by any court); (b) actions by statutory or regulatory authorities (including notices issued by such authorities and any findings/observations or warning letters of any of the inspections by SEBI or any other regulatory authority and all penalties); (c) disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals including outstanding disciplinary action; (d) claims related to direct and indirect taxes, in a consolidated manner giving the total number of cases and total amounts involved provided that if the amount involved in any such claims exceeds the materiality threshold, such matter(s) shall be disclosed on an individual basis; and (e) other pending litigations (including civil litigation or arbitration proceedings) as per policy of materiality defined by our Board of Directors in accordance with the SEBI ICDR Regulations in each case involving our Company, Subsidiaries, Directors and Promoters (“**Relevant Parties**”).*

Pursuant to the Materiality Policy adopted by our Board on December 16, 2024, for the purposes of (e) above, any pending litigation/ arbitration proceedings involving the Relevant Parties, shall be considered ‘material’ and disclosed in this Draft red Herring Prospectus: (i) if the aggregate monetary amount of claim made by or against the entity or person in any such pending proceeding exceeds 2 % of turnover of our Company, for the most recent financial year as per the Restated Consolidated Financial Information i.e., ₹ 90.49 million, or (ii) 2% of net worth of our Company, as at the end of the most recent financial year as per the Restated Consolidated Financial Information i.e., ₹ 46.11 million or (iii) 5% of the average absolute value of profit or loss after tax of our Company for the last three financial years as per the Restated Consolidated Financial Information i.e., ₹ 20.99 million, whichever is lower; or (iv) where monetary liability is not determinable or quantifiable for any other outstanding proceeding, or which does not fulfil the financial threshold specified in (i), (ii), or (iii) above, but the outcome of any such pending proceeding may have a material adverse effect on the business, operations, performance, prospects, position or reputation of our Company. Accordingly, the materiality threshold has been determined by the Company as ₹ 20.99 million.

There are no outstanding legal proceedings involving our Group Companies, the outcome of which could have a material impact on our Company.

Pre-litigation notices received by the Relevant Parties from third parties (excluding notices from statutory, judicial, quasi-judicial, regulatory or tax authorities or notices threatening criminal action or first information reports) shall not be evaluated for materiality until the Relevant Parties are impleaded in proceedings before any judicial/ arbitral forum or unless decided otherwise by the board of directors of the Company.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. Further, in terms of our Materiality Policy, a creditor shall be considered “material”, if the outstanding dues to such creditor is equal to or exceeds 5% of the trade payables of our Company, on a consolidated basis, based on the Restated Consolidated Financial Information i.e., ₹ 19.05 million. Further, for outstanding dues to any party which is a micro, small or medium enterprise (“**MSME**”), the disclosure will be based on information available with the Company regarding the status of the creditor as defined under Micro, Small and Medium Enterprises Development Act, 2006, as amended, read with the rules and notifications thereunder.*

I. Litigation involving our Company

A. Litigation filed against our Company

Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings against our Company.

Outstanding actions by statutory and/or regulatory authorities

The State of Uttar Pradesh, Department of Finance and Revenue and others (“**Petitioners**”) have filed a special leave petition (“**Petition**”) before the Supreme Court of India (the “**Supreme Court**”) against our Company, M/s Kanha Vanaspati Limited (“**Kanha Vanaspati Limited**”) and the State Bank of India (“**Bank**” and collectively with our Company and Kanha Vanaspati Limited, the “**Respondents**”) against an order dated October 7, 2021

passed by the High Court of Allahabad (“**High Court Order**”) allowing the writ petition filed by our Company, restraining the Petitioners from proceeding against the immovable property located at Khasra No. 8, 9, 10 and 126 Gram Gathona Ujhani, District Budaun, Uttar Pradesh (“**Budaun Factory Land**”) for recovery of tax dues in accordance with Section 34 of the U.P. Trade Tax Act, 1948. The Budaun Factory Land was sold by Kanha Vanaspati Limited to our Company *vide* sale deed dated July 16, 2014, while there were pending recoveries of trade tax and entry tax against Kanha Vanaspati Limited amounting to ₹ 176.48 million. The Budaun Factory Land was mortgaged by Kanha Vanaspati Limited with the Bank and in order to repay the dues of the Bank, the Budaun Factory Land was sold by Kanha Vanaspati Limited to our Company as a one-time settlement for ₹ 26.10 million in order to settle dues of the Bank amounting to ₹ 328.90 million. The Petitioners have alleged that the transaction is a sham transaction to defraud the revenue and that the High Court erroneously interpreted Section 34 of the U.P. Trade Tax Act, 1948. The Petitioners have filed the Petition seeking special leave to appeal against the High Court Order and ex-parte stay of the High Court Order. The matter is currently pending before the Supreme Court. For risks associated with the litigation, see “**Risk Factors – Internal Risk Factors – 4. Our Company is involved in an on-going litigation in the Supreme Court of India with respect to the land on which our Budaun Facility is located. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.**” on page 32.

Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated against our Company.

B. Litigation filed by our Company

Criminal proceedings

Pursuant to a letter dated January 11, 2024, by our Company to the Senior Inspector, Cyber Police Station, Bandra East, Mumbai, a cyber complaint was filed against Chempharma Industries India Private Limited under Sections 406, 420 and 499 of the Indian Penal Code, 1860, as well as Section 67D of the Information Technology Act, 2000 for criminal intimidation, defamation, extortion and threatening calls. The matter is currently pending.

Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated by our Company.

C. Tax proceedings involving our Company

Nature of the case	Number of cases	Total amount involved (in ₹ million)*
Direct tax	4	56.66
Indirect tax	13	341.26
Total	17	397.92

*To the extent quantifiable and ascertainable

Material Tax Proceedings involving our Company

1. Our Company has filed an appeal before the Commissioner of Income Tax (Appeals) (“**Appellate Tribunal**”) aggrieved by the assessment order dated May 15, 2023, passed by Assessment Unit of the Income Tax Department (“**IT Department**”) under section 147 of the Income Tax Act. The IT Department alleged that the purchases made by our Company from M/s Om Trading Company amounting to ₹ 44.71 million during the Assessment year 2014-15 are unverified in absence of requisite information and details and accordingly, the amount of ₹ 44.71 million was treated as unexplained expenditure and added to the total income of our Company for that assessment year. The matter is currently pending before the Appellate Tribunal.
2. Our Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal (“**Appellate Tribunal**”) against order dated July 18, 2016 (“**Impugned Order**”), passed by the Commissioner of Customs (NS-IV), Jawaharlal Nehru Custom House, Nhava Sheva (“**Commissioner of Customs**”) confirming the demand of customs duty amounting to ₹ 7.67 million with respect to goods imported duty free under advance authorisations, demand of interest, confiscation of goods valued at ₹ 28.76

million and imposition of penalty amounting to ₹ 7.67 million and imposition of penalty on Kaksha Vipul Parekh and Dinesh TV. The matter is currently pending before the Appellate Tribunal.

3. Our Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Mumbai (“**Appellate Tribunal**”) against the order dated February 21, 2018 (“**Impugned Order**”), passed by the Commissioner of Customs (NS-IV), Jawaharlal Nehru Custom House, Nhava Sheva (“**Commissioner of Customs**”) confirming the demand of customs duty amounting to ₹ 140.64 million with respect to goods imported duty free under advance authorisations, recovery of interest, confiscation of goods valued at ₹ 355.53 million and ₹ 442.37 million, imposition of penalty amounting to ₹ 140.64 million and ₹ 1.00 million, imposition of penalty on Kaksha Vipul Parekh and Dinesh TV and enforcement and encashment of bond furnished against the goods imported duty free against advance authorisations, raised in a show cause notice dated August 16, 2016 issued by the Additional Director General, Directorate of Revenue Intelligence, Ahmedabad (“**Show Cause Notice**”). Our Company contends that the Impugned Order was passed by the Commissioner of Customs without considering submissions of our Company. The present appeal is filed by our Company to set aside and stay the operation of the Impugned Order. The matter is currently pending before the Appellate Tribunal.
4. Our Company has filed a writ petition before the High Court of Judicature at Allahabad (“**High Court**”) under Article 226 of the Constitution of India, for setting aside order dated November 11, 2020 (“**Impugned Order**”) passed by Joint Commissioner (Corporate Circle), Bareilly (“**Commissioner**”) and order dated August 27, 2021 passed by Additional Commissioner Grade – 2 (Appeal), Bareilly (“**Appellate Authority**”). The Impugned Order passed by the Commissioner reversed the input tax credit claimed by our Company on inward supply of goods from M/s North End Foods Marketing Private Limited for the Financial Year 2018-19 alleging that our Company has failed to comply with Section 16 of the Central Goods and Services Tax Act, 2017 and imposed a liability to pay interest and penalty, aggregating to ₹ 37.78 million. Aggrieved by the Impugned Order, our Company filed an appeal before the Appellate Authority, which was subsequently dismissed. While the matter is currently pending, the High Court has issued an interim stay on the Impugned Order and order dated August 27, 2021 passed by the Appellate Authority.

II. Litigation involving our Subsidiaries

A. Litigation filed against our Subsidiaries

Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings against our Subsidiaries.

Outstanding actions by statutory and/or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory and/or regulatory authorities against our Subsidiaries.

Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated against our Subsidiaries.

B. Litigation filed by our Subsidiaries

Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings initiated by our Subsidiaries.

Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated by our Subsidiaries.

C. Tax proceedings involving our Subsidiaries

As on date of this Draft Red Herring Prospectus, there are no tax proceedings involving our Subsidiaries.

III. Litigation involving our Directors

A. Litigation filed against our Directors

Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings against our Directors.

Outstanding actions by statutory and/or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory and/or regulatory authorities against our Directors.

Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated against our Directors.

B. Litigation filed by our Directors

Criminal proceedings

A first information report dated May 1, 2024, was filed by Kaksha Vipul Parekh at the Patan Nagar Police Station, Thane, under Section 379 of the Indian Penal Code, 1860, alleging theft of her purse from a store located in Ghatkopar, Mumbai. The matter is currently pending.

Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated by our Directors.

C. Tax proceedings involving our Directors

Nature of the case	Number of cases	Total amount involved (in ₹ million)*
Direct tax	1	Nil
Indirect tax	4	3.05
Total	5	3.05

**To the extent quantifiable and ascertainable*

IV. Litigation involving our Promoters

A. Litigation filed against our Promoters

Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings against our Promoters.

Outstanding actions by statutory and/or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory and/or regulatory authorities against our Promoters.

Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated against our Promoters.

Disciplinary actions including penalties imposed by SEBI or stock exchanges in the last five financial years including outstanding actions

As on the date of this Draft Red Herring Prospectus, there are no disciplinary actions including penalties imposed by SEBI or the stock exchanges in the last five financial years, against our Promoters.

B. Litigation filed by our Promoters

Criminal proceedings

Other than as disclosed under “- *Litigation involving our Directors - Litigation filed by our Directors – Criminal proceedings*” on page 363, there are no criminal proceedings initiated by our Promoters.

Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated by our Promoters.

C. Tax proceedings involving our Promoters

Nature of the case	Number of cases	Total amount involved (in ₹ million)*
Direct tax	1	Nil
Indirect tax	4	3.05
Total	5	3.05

**To the extent quantifiable and ascertainable*

V. Outstanding litigation involving our Group Companies, which has a material impact on our Company

As on the date of this Draft Red Herring Prospectus, there are outstanding litigation involving our Group Companies which has a material impact on our Company.

VI. Outstanding dues to creditors

In accordance with the Materiality Policy, details of outstanding dues (trade payables) owed to MSME (as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at September 30, 2024, are set out below:

Types of Creditors	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises*	113	57.12
Material creditors	4	197.89
Other creditors	154	126.07
Total	271	381.08

** As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

As of September 30, 2024, there are 4 material creditors to whom our Company owes ₹ 197.89 million. The details pertaining to outstanding dues to the material creditors along with names and amounts involved for each such material creditor are available on the website at www.gemaromatics.com/details-of-material-creditors/. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

Material Developments since the date of the last Balance Sheet

Other than as stated in the section “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 329, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole, the value of our assets, or our ability to pay our liabilities within the next 12 months from the date of filing of this DRHP.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein and in “**Risk Factors**”, beginning on page 29 (in relation to material approvals which are required but not obtained or applied for by us) our Company and Material Subsidiary have received the necessary material consents, licenses, permissions, registrations and approvals from the relevant governmental, statutory and/ or regulatory authorities in India, which are necessary for undertaking its present business activities. We have set out below a list of material consents, licenses, permissions, and approvals from various governmental, statutory and regulatory authorities in India which are considered material and necessary for the purpose of undertaking our business activities. Unless stated otherwise, these material approvals are valid as on the date of this Draft Red Herring Prospectus.

In addition to these approvals, we have also disclosed below (i) the approvals applied for, including renewal applications made, but not received; and (ii) the approvals for which applications are yet to be made by our Company and Material Subsidiaries.

I. Approvals in relation to the Offer

For details of approvals and authorisations obtained in relation to the Offer, see “**The Offer**” beginning on page 75.

II. Incorporation Details of our Company and Material Subsidiary

a) Our Company

1. Certificate of incorporation dated October 3, 1997 under the name of ‘Gem Aromatics Private Limited’ issued by the RoC; and
2. Fresh certificate of incorporation dated August 17, 2023 issued upon conversion of our Company to a public limited company under the name of ‘Gem Aromatics Limited’ issued by the RoC;

b) Material Subsidiary

1. Certificate of registration dated November 27, 2019 issued by New Jersey Department of the Treasury Division of Revenue and Enterprise Services for incorporation of our Material Subsidiary, Gem Aromatics LLC under the laws of the Delaware, United States of America on November 19, 2019.

III. Material approvals in relation to the business and the operations of the Company and our Material Subsidiary

We require various approvals, licenses, consents and registrations under several central or state-level acts, rules and regulations to carry on our business operations and manufacturing facilities in India. We have obtained the following Material Approvals for our Manufacturing facilities:

A. Approvals specific to the operations of our Company

1. The certificate of Udyam registration number is UDYAM-UP-08-0000132.
2. The import-export code of the Company is 0398001570.
3. The registration-cum-membership certificate number 219036 issued by Agricultural and Processed Food Products Export Development Authority under the Ministry of Commerce and Industry, Government of India.

B. Material approvals in relation to our Budaun facility

- (i) License under the provisions of the Factories Act, 1948, as amended, issued by the Labour Department, Uttar Pradesh, bearing registration number UPFA20000010.

- (ii) Consolidated consent & authorization under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 issued by U.P. Pollution Control Board.
- (iii) Fire NOC bearing number UPFS/ 2023/ 74597/ BDN/ BUDAUN/ 372/ CFO issued by Uttar Pradesh Fire Service Department.
- (iv) Food Safety System Certificate bearing number IN24/ 00000495 issued by SGS United Kingdom Limited, global certification services.
- (v) No objection certificate related to transformer.
- (vi) Consent to establish for new unit/ expansion/ diversification bearing application number 15617459 under the provisions of Water (Prevention and control of pollution) Act, 1974 as amended and Air (Prevention and control of Pollution) Act, 1981 as amended.
- (vii) Registration bearing number LKCD0100022 under Narcotic Drugs and Psychotropic Substances Act, 1965 and Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013 for manufacture/ distribution/ sale/ purchase/ possession/ storage consumption and any usage of controlled substance under Schedule A.
- (viii) Certificate of registration bearing number 17197769176 under U.S. Food and Drug Administration Department.

C. Material approvals in relation to our Silvassa facility

- (i) License under the provisions of the Factories Act, 1948, as amended, issued by the Chief Inspector of Factories and Boiler Administration, Dadra & Nagar Haveli bearing registration number 1401.
- (ii) Consolidated consent & authorization under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and Environment (Protection) Act, 1986 issued by Pollution Control Committee, Daman, Diu and Dadra & Nagar Haveli.
- (iii) Certificate of registration bearing number PICL/FSSC/1123/8845 for manufacturing & exporting of essential oils & aromatic chemicals issued by The Governing Board of Progressive International Certifications Limited.

E. Approvals specific to the operations of our Material Subsidiary

Our Material Subsidiary, requires no approvals, licenses, consents and registrations specific to its operations.

F. Tax related approvals

- a) Our Company
 - (i) The permanent account number of our Company is AAACG5135D.
 - (ii) The tax deduction account number of our Company is MUMG05248F.
 - (iii) The legal identifier number of our Company is 335800ZZAE23XEGGOB31.
 - (iv) Goods and Services Tax registrations for payments under various central and state GST legislations in the respective states we operate in and for our Manufacturing facilities.
 - (v) Professional tax registration of our Company is 995220528370, issued under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

b) Gem Aromatics LLC

Our Material Subsidiary, does not require any tax related approvals.

G. Labour and Employee related approvals

i. Our Company

- (i) Under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 as amended, our Company has been allotted code number THTHA0205596000.
- (ii) Under the provisions of the Employees State Insurance Act, 1948, as amended, our Company has been allotted code number 31001027650000302.
- (iii) Registration certificates under the provisions of the respective shops and establishment acts where we operate in and for our Registered Office and Corporate Office.

b) Gem Aromatics LLC

Our Material Subsidiary, does not require any labour and employee related approvals.

IV. Approvals required / expired but not applied for by our Company and Material Subsidiary

a) Our Company

Nil

b) Gem Aromatics LLC

Nil

V. Approvals that have been applied but not yet received by our Company and Material Subsidiary

a) Our Company



- (i) Our Company has filed an application dated December 23, 2024, for renewal of the no-objection certificate from the Department of Fire and Emergency Services, U.T. Administration of Dadra & Nagar Haveli and Diu & Daman for the Silvassa facility.

b) Gem Aromatics LLC

Nil

VI. Intellectual Property

Trademarks

Sr. No.	Application Number	Trademark	Class	Date of registration / application / renewal application	Status	Validity
1.	2900571		3	February 12, 2015	Registered	February 11, 2025
2.	6231844		3	December 21, 2023	Registered	December 20, 2033

3.	6231846		1	December 21, 2023	Objected	-
4.	6231845		3	December 21, 2023	Objected	-
5.	6231847		5	December 21, 2023	Objected	-

As on the date of this Draft Red Herring Prospectus, our Company has two registered and valid domain names.

For details, see “***Risk Factors – Internal Risk Factors – 27. We may fail to protect our intellectual property and are susceptible to litigation for infringement of intellectual property rights in relation to such designs. This could materially and adversely affect our reputation, results of operations and financial condition.***” on page 47.

GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term ‘group company’ includes (i) such companies (other than the promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions, during the period for which financial information is disclosed in the relevant offer documents, as covered under applicable accounting standards (IND AS 24), and (ii) any other companies considered material by the Board of Directors. Pursuant to a Board resolution dated December 16, 2024, our Board formulated a policy with respect to companies which it considered material to be identified as group company.

Accordingly, for (i) above, all such companies (other than the Subsidiaries) with which the Company had related party transactions during the period covered in the Restated Consolidated Financial Information, as covered under the applicable accounting standards (IND AS 24).

In addition, pursuant to the Materiality Policy for the purposes of point no. (ii) above, a company (other than the Subsidiaries and the companies covered under point no. (i) above) shall be considered ‘material’ and will be disclosed as a group company in the Offer Documents, if (a) such a company is: a member of the Promoter Group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations, and (b) with which the Company has entered into one or more transactions in the most recent financial year and stub period, if any, (in respect of which Restated Consolidated Financial Information are included in the Offer Document), (“**Test Period**”) which individually or in the aggregate, exceed 10% of the total consolidated revenue from operations of the Company as derived from the restated consolidated financial statements for the Test Period.

Set forth below, based on the aforementioned criteria, are the detail(s) of our Group Companies as on the date of this Draft Red Herring Prospectus.

1. **dōTERRA Global Limited**

Corporate Information

The registered office of dōTERRA Global Limited is 32 Molesworth Street Dublin 2, Ireland, DO2Y512. Its company registration number is 636906.

Financial Performance

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available of dōTERRA Global Limited for the financial year 2023, 2022, and 2021, are available at www.gemaromatics.com/financial-information-of-group-companies/.

2. **dōTERRA International LLC**

Corporate Information

The registered office of dōTERRA International LLC is 389 South 1300 West, Pleasant Grove, Utah, 84062, United States of America. Its company registration number is 6900531-0160.

Financial Performance

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available of dōTERRA International LLC for the financial year 2023, 2022, and 2021, are available at www.gemaromatics.com/financial-information-of-group-companies/.

Nature and extent of interests of our Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion or formation of our Company.

In the properties acquired or proposed to be acquired by our Company

None of our Group Companies have any interest in any property acquired by our Company in the 3 years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it as on date of this Draft Red Herring Prospectus.

In transactions for acquisition of land, construction of building and supply of machinery

None of our Group Companies have an interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery.

Business interests in our Company

Except as disclosed under see “**Restated Consolidated Financial Information - Note 32 - Related Party Disclosures**” on page 308, our Group Companies do not have any business interest in our Company.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

Except as disclosed under see “**Restated Consolidated Financial Information - Note 32 - Related Party Transactions**” on page 308, there are no related business transactions with the Group Company.

Common pursuits of our Group Companies

There are common pursuits amongst our Group Companies and our Company by virtue of engagement in the similar line of business activities. However, the incorporation documents of our Group Companies permit them to undertake businesses that are similar to our Company and the objects of the memorandum of association or constitutional documents of our Company do not restrict our Group Companies to undertake businesses that are similar to our Company. Whilst we cannot assure you that a conflict of interest will not arise if the entity decides to pursue such activities in future, our Company shall adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any instances of conflict of interest, if and when they may arise.

Litigation

As on date of this Draft Red Herring Prospectus, our Group Companies are not parties to any pending litigation which will have a material impact on our Company.

Utilisation of Offer Proceeds

There are no material existing or anticipated transactions in relation to utilisation of the Offer Proceeds with our Group Companies.

Other confirmations

As on the date of this Draft Red Herring Prospectus, the securities of our Group Companies are not listed on any stock exchange, and, therefore, there are no investor complaints are pending against them.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised pursuant to the resolution passed by our Board dated December 16, 2024 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated December 17, 2024.

Further, our Board has taken on record the consent and authorization of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution dated December 16, 2024.

The Selling Shareholders have severally and not jointly confirmed and approved their participation in the Offer for Sale in relation to the Offered Shares. For further details see “*The Offer*” beginning on page 75.

In-principle listing approvals

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 Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”) or Governmental Authorities

Our Company, our Subsidiaries, our Directors, our Promoters (the persons in control of our Company and the persons in control of Parekh Family Trust) and the members of the Promoter Group are not prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any authority/court.

Each of the Selling Shareholders severally and not jointly confirm, that it is not prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Promoters or Directors have been declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Each of our Company, our Promoters, the members of the Promoter Group and each of the Selling Shareholders severally and not jointly, confirms that as on the date of this Draft Red Herring Prospectus, it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them.

Directors associated with the securities market

None of our Directors are, in any manner, associated with the securities market. Further, there are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), *i.e.*, as at and for the Financial Years 2024, 2023 and 2022, of which not more than 50% of the net tangible assets are held as monetary assets;
- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and

consolidated basis, during the preceding three years (of 12 months each), *i.e.*, as at and for the Financial Years 2024, 2023 and 2022, 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), *i.e.*, as at and for the Financial Years 2024, 2023 and 2022, calculated on a restated and consolidated basis; and
- Our Company has not changed its name in the last one year, immediately preceding the date of filing of this Draft Red Herring Prospectus.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Fiscals are set forth:

(in ₹ million, unless otherwise stated)

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Restated Net Tangible Assets ¹ (₹ in million)	2,161.02	1,658.77	1,288.82
Restated Monetary Assets ² (₹ in million)	280.84	105.83	64.98
% of Restated Monetary Assets to Restated Net Tangible Assets	13.00%	6.38%	5.04%
Restated Operating profit ³	720.91	614.29	448.33
Average Restated Operating profit	594.51		
Restated Net-worth ⁴	2,305.48	1,795.31	1,381.59

* As per the certificate issued by our Statutory Auditors, M/s Chhajed & Doshi, Chartered Accountants, dated December 28, 2024.

1. Restated Net Tangible Assets' means net block of property, plant and equipment, capital work in progress for Property, plant and equipment (including capital advances), current assets, loans and advances and excludes loan funds (secured loans and unsecured loans) and current liabilities and provisions.
2. Restated Monetary Assets' includes cash on hand, balances with banks in current accounts and deposit accounts and excludes earmarked balances with banks which are not readily available for utilization by the Company.
3. Restated Operating Profit means the profit before finance costs, and tax expenses but after excluding other income.
4. Restated 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2024, 2023 and 2022 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended.

Our Company has operating profits in each of the Fiscals 2024, 2023 and 2022 in terms of our Restated Financial Information, as indicated in the table above.

Each of the Selling Shareholders has severally and not jointly confirmed its compliance with Regulation 8 of the SEBI ICDR Regulations and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus

Further, our Company confirms that it is eligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, fulfils requirements set out in Regulation 7(1) of the SEBI ICDR Regulations and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Our Company is in compliance with the following conditions specified in Regulations 5 and Regulation 7(1) of the SEBI ICDR Regulations:

- (i) none of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI;
- (ii) none of our Promoters or our Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI;
- (iii) None of our Company, our Promoters or Directors is a Wilful Defaulter or a Fraudulent Borrower;
- (iv) neither our Promoters nor any of our Directors are a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018).

- (v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus.
- (vi) Our Company, along with the Registrar to the Offer, has entered into tripartite agreements dated August 18, 2021 and March 29, 2019 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
- (vii) The Equity Shares of our Company held by our Promoters and the Selling Shareholders are in dematerialised form;
- (viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus;

Gopinath Dairy Products Private Limited, a member of our Promoter Group is undergoing liquidation and is categorised as a wilful defaulter along with Lallubhai Hargovindas Chitalia, Krishna Lallubhai Chitalia and Rajesh Lallubhai Chitalia, individual members of our Promoter Group. For details, see “*Risk Factors – Internal Risk Factors – 5. One of the entities, Gopinath Dairy Products Private Limited, which is identified as a part of the Promoter Group under the SEBI ICDR Regulations is undergoing liquidation proceedings and accordingly has not provided any information in respect of itself. All information in relation to Gopinath Dairy Products Private Limited included in the DRHP is from publicly available sources. Further, Lallubhai Hargovindas Chitalia, Krishna Lallubhai Chitalia, Rajesh Lallubhai Chitalia, individual members of our Promoter Group, along with Gopinath Dairy Products Private Limited, have been identified as wilful defaulters in their capacity as directors and guarantor of Gopinath Dairy Products Private Limited.*” on page 33.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLM, BEING MOTILAL OSWAL INVESTMENT ADVISORS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECUTIES ECHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. 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 BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND EACH OF THE COMPANY AND EACH OF THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 28, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY 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 BRLM, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus and the Prospectus, as applicable, with the RoC in terms of the Companies Act.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLM

Our Company, the Directors, the Selling Shareholders and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, or the respective websites of our Subsidiaries or of any of the Group Companies or of any of the Selling Shareholders, would be doing so at his or her own risk.

Each of the Selling Shareholders, severally and not jointly, is providing information in this Draft Red Herring Prospectus only in relation to itself as a selling shareholder and its respective portion of the Offered Shares, and each of the Selling Shareholders, including its directors, partners, affiliates, associates and officers, accepts and/or undertakes no responsibility for any statements made or undertakings provided, including without limitation, any statement made by or in relation to our Company or its business, other than those specifically undertaken or confirmed by it as a selling shareholder, in relation to itself and its portion of the Offered Shares in this Draft Red Herring Prospectus.

The BRLM accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided in the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders (to the extent the information pertains to such Selling Shareholder and its portion of Offered Shares) and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) 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, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and its respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, each of the Selling Shareholders and their respective group company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group company, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

Bidders eligible under Indian law to participate in the Offer

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian

Contract Act, 1872, as amended, 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, multilateral and bilateral development financial institutions, 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, Government of India, 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.

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.

Certain persons outside India are restricted from participating in the Offer. For details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 421.

Selling restrictions and transfer restrictions

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. 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.**

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. Accordingly, the Equity Shares are being offered and sold outside of the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum shall be deemed to:

- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.
- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that it did not purchase the Equity Shares as a result of any “directed selling efforts” (as defined in Regulation S).
- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.

- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that it 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, other than in accordance with applicable laws.
- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- Agree to indemnify and hold the Company, the Selling Shareholders and the Members of the Syndicate harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Acknowledge that our Company, the Selling Shareholders, the Members of the Syndicate and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Eligible Investors

The Equity Shares are being offered and sold:

- i. in the United States to investors that are 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 reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

Our Company, the Selling Shareholders, the BRLM and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

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 offshore 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 NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the 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 filing with the RoC.

Disclaimer clause of National Stock Exchange of India Limited

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 to deal in and for an

official quotation of the Equity Shares being offered and transferred in the Offer and [●] will be the Designated Stock Exchange, with which the Basis of Allotment will be finalised for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/Offer Closing Date or such period as may be prescribed by SEBI.

The Company shall refund the money raised in the Offer, together with any interest on such money as required under applicable laws, to the Bidders if required to do so for any reason under applicable laws, including due to failure to obtain listing or trading approval or pursuant to any direction or order of SEBI or any other governmental authority. Each Selling Shareholder shall be, severally and not jointly, liable to refund money raised in the Offer, only to the extent of its Offered Shares, together with any interest on such amount as per applicable laws. Provided that the Selling Shareholders shall not be liable or responsible to pay such interest unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Consents

Consents in writing of (a) each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsel to our Company, the BRLM, the Registrar to the Offer, lenders to our Company (wherever applicable), Independent Chartered Engineer, Independent Chartered Account in their respective capacities have been obtained; and consents in writing of (b) the Syndicate Members, Monitoring Agency, Sponsor Bank(s), Escrow Collection Bank(s), Public Offer Account Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents obtained under (a) have not be withdrawn as on the date of this Draft Red Herring Prospectus.

Experts

Except as stated below, our Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

Our Company has received written consent dated December 28, 2024 from M/s Chhajed & Doshi, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under section 26(5) of the Companies Act, 2013, and as an 'expert' as required under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated December 16, 2024, relating to the Restated Consolidated Financial Information; and (ii) the statement of special tax benefits dated December 25, 2024, included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated December 26, 2024 from, KNAV Advisory Inc, to include their name as required under Section 26(5) of the Companies Act, 2013, read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an 'expert' as required under Section 2(38) of the Companies Act in respect of the statement of special tax benefits dated December 24, 2024 available to our Material Subsidiary, Gem Aromatics LLC, under the applicable taxation laws of the United States of America, included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated December 23, 2024 from Anjaria Enviro Tech Private Limited, Independent Chartered Engineer to include their name as required under section 26(5) of the Companies Act read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an 'expert' as defined under Section 2(38) of the Companies Act to the extent and in their capacity as Independent Chartered Engineer in respect of the certificate dated December 23, 2024 issued by them in connection with *inter alia* the installed capacity, actual production, capacity utilisation and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated December 2, 2024 from the practicing company secretary, Dilip Bharadiya & Associates, to include their name as an 'expert' as defined under Section 2(38) of the Companies Act to the extent and in their capacity as practicing company secretary in respect of the certificate dated December

2, 2024 issued by them in connection with *inter alia* the share capital buildup and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by our Company

Other than as disclosed in the section titled “*Capital Structure*” beginning on page 90, our Company has not made any capital issuances in the three years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by our listed Group Companies/Subsidiaries/associates

As on date of this Draft Red Herring Prospectus, none of our Subsidiaries or our Group Companies are listed on any stock exchange.

Particulars regarding public or rights issues during the last five years

Our Company has not made any rights issues or public issues (as defined under the SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects - Public/ rights issue of our Company

Our Company has not undertaken any public issues or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects – Last public/rights issue of our listed Subsidiaries/Promoters

As on date of this Draft Red Herring Prospectus, none of our Subsidiaries are listed.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Commission, brokerage and selling commission paid on previous issues of the Equity Shares

Since this is the initial public offering of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by Securities Exchange Board of India

The State Bank of India filed an application dated March 3, 2021, under Section 7 of the Insolvency and Bankruptcy Code, 2016, as amended, against Gopinath Dairy Products Limited, one of the members of our Promoter Group for initiating corporate insolvency resolution process. Pursuant to the order dated February 9, 2023, National Company Law Tribunal, Mumbai bench, had admitted the application made by the State Bank of India for initiating corporate insolvency resolution process. Subsequently, on June 25, 2024, a liquidation order was passed by the National Company Law Tribunal, Mumbai bench, under Section 33 of the Insolvency and Bankruptcy Code, 2016, as amended, against Gopinath Dairy Products Private Limited and a preferred bidder was selected by way of an auction. Accordingly, Gopinath Dairy Products Private Limited is unable to provide any information and confirmations as required under the SEBI ICDR Regulations, as a member of the Promoter Group.

Our Company had filed an application dated April 24, 2024 with SEBI under Regulation 300(1)(c) of the SEBI ICDR Regulations (“**Exemption Application**”), requesting for relaxation of the strict enforcement of the provisions of the SEBI ICDR Regulations with respect to identifying and disclosing, Gopinath Dairy Products Private Limited, a body corporate, as a member of our Promoter Group in which Lallubhai Hargovindas Chitalia, Krishna Lallubhai Chitalia, Rajesh Lallubhai Chitalia, R L Chitalia HUF and Vital Enclave Private Limited, members of our Promoter Group, together held more than 20% of the equity share capital, as required under the SEBI ICDR Regulations.

By way of a letter dated July 29, 2024 (bearing reference number SEBI/HO/CFD/RAC-DIL1/P/OW/2023/24351), SEBI has rejected the Exemption Application and has decided not to grant exemption from including/ disclosing Gopinath Dairy Products Limited and the relevant information pertaining to Gopinath Dairy Products Private Limited as required under the SEBI ICDR Regulations. Further, Gopinath Dairy Products Private Limited was also noted as a wilful defaulter.

Our Company has included disclosures pertaining to the Gopinath Dairy Products Private Limited, based on and limited only to the extent of information publicly available from the websites of certain government authorities and other public databases including the website of Gopinath Dairy Products Limited, in the section titled “***Our Promoters and Promoter Group***” beginning on page 263 of this Draft Red Herring Prospectus, in order to comply with the requirements of the SEBI ICDR Regulations. For details, see “***Risk Factors – Internal Risk Factors – 5. One of the entities, Gopinath Dairy Products Private Limited, which is identified as a part of the Promoter Group under the SEBI ICDR Regulations is undergoing liquidation proceedings and accordingly has not provided any information in respect of itself. All information in relation to Gopinath Dairy Products Private Limited included in the DRHP is from publicly available sources. Further, Lallubhai Hargovindas Chitalia, Krishna Lallubhai Chitalia, Rajesh Lallubhai Chitalia, individual members of our Promoter Group, along with Gopinath Dairy Products Private Limited, have been identified as wilful defaulters in their capacity as directors and guarantor of Gopinath Dairy Products Private Limited.***” on page 33.

Price information of past issues handled by the BRLM

Motilal Oswal Investment Advisors Limited

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Motilal Oswal Investment Advisors Limited:*

Sr. No.	Issue name	Designated Stock Exchange	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.	Niva Bupa Health Insurance Company Limited	NSE	22,000.00	74.00	November 14, 2024	78.14	+12.97%, [+5.25%]	NA	NA
2.	Acme Solar Holdings Limited ⁽⁷⁾	NSE	29,000.00	289.00	November 13, 2024	251.00	+8.21% [4.20%]	NA	NA
3.	P N Gadgil Jewellers Limited	NSE	11,000.00	480.00	September 17, 2024	830.00	+61.14% [-1.76%]	53.04% [-2.56%]	NA
4.	R K Swamy Limited ⁽⁶⁾	BSE	4,235.60	288.00	March 12, 2024	252.00	-1.30% [+1.86%]	-6.70% [+4.11%]	-17.57% [+10.20%]
5.	Happy Forgings Limited	NSE	10,085.93	850.00	December 27, 2023	1000.00	+14.06% [-1.40%]	+4.44% [+2.04%]	+42.78% [+8.53%]
6.	Cello World Limited ⁽⁵⁾	NSE	19,000.00	648.00	November 06, 2023	829.00	+21.92% [+7.44%]	+32.99% [+12.58%]	+40.57% [+15.78%]
7.	Updater Services Limited	BSE	6,400.00	300.00	October 04, 2023	299.90	-13.72% [-1.76%]	+9.05% [+10.80%]	6.77% [+12.92%]
8.	Sai Silks (Kalamandir) Limited	BSE	12,009.98	222.00	September 27, 2023	230.10	+8.09% [-4.49%]	+25.09% [+7.54%]	-12.30% [+10.15%]
9.	Rishabh Instruments Limited	NSE	4907.83	441.00	September 11, 2023	460.05	+20.12% [-1.53%]	+13.24% [+4.87%]	+5.94% [+12.49%]
10.	IKIO Lighting Limited	BSE	6,065.00	285.00	June 16, 2023	391.00	+44.77% [+4.22%]	+23.84% [+6.44%]	+23.86% [+9.73%]

Notes:

- The S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index, depending upon the Designated Stock Exchange.*
- Price is taken from NSE or BSE, depending upon Designated Stock Exchange for the above calculations.*
- The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*
- Not applicable – Period not completed.*
- A discount of Rs. 61 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
- A discount of Rs. 27 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
- A discount of ₹ 27 per Equity Share was offered to Eligible Employees bidding in the employee reservation portion.*

2. *Summary statement of price information of past issues handled by Motilal Oswal Investment Advisors Limited:*

Financial Year	Total no. of IPOs	Total funds raised (' Millions)	Nos. of IPOs trading at discount on as on 30 th calendar days from listing date			Nos. of IPOs trading at premium on as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			os. of IPOs trading at premium as on 180 th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024	3	62,000.00	-	-	-	1	-	2	-	-	-	-	-	-
2023	7	62,704.34	-	-	2	-	1	4	-	-	1	-	2	4
2022	3	16,265.81	-	-	1	-	-	2	-	-	2	-	-	1

(Remainder of this page has been intentionally left blank)

Website track record of past issues handled by the BRLM

For details regarding the track record of the BRLM, as specified in Circular reference bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the website of the BRLM as set forth in the table below:

Sr No.	Name of the BRLM	Website
1.	Motilal Oswal Investment Advisors Limited	www.motilaloswalgroup.com

For further details in relation to the BRLM, please see “**General Information – Book Running Lead Manager**” on page 84.

Mechanism for redressal of Investor Grievances

The Registrar Agreement provides for 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 or any such period as prescribed under the applicable laws, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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

All Offer related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary, with whom the Bid cum Application Form was submitted giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, address of the Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall also enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders’ DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

SEBI, by way of the SEBI ICDR Master Circular read with March 2021 Circular, amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and June 2021 Circular, each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations, has identified the need to put in place measures in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/ SCSBs, failure to unblock funds for cancelled/ withdrawn/ deleted cases in the stock exchange platforms, failure to unblock funds in cases of partial allotment by the next working day from the finalisation of basis of allotment, failure to unblock the funds in cases of non-allotment by the Issue Closing Date, SCSBs blocking multiple amounts for the same UPI mechanism, and SCSBs blocking more amount in the investors’ accounts than the application amount.

As per the SEBI ICDR Master Circular read with the March 2021 Circular, and the June 2021 Circular, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, each to the extent applicable and not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations, SEBI has prescribed certain mechanisms for initial public offerings to ensure proper management of investor issues arising out of the UPI Mechanism, inter alia including (i) identification of a nodal officer by SCSBs for IPO applications processed through UPI as a payment mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/ unblocks,

performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank(s) to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for nonallotted/ partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

In terms of the SEBI ICDR Master Circular read with the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations, and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with the SEBI ICDR Master Circular read with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations, in the events of delayed unblock for cancelled/ withdrawn/ deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/ partially-allotted applications, for the stipulated period.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with the SEBI ICDR Master Circular read with the SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and SEBI Master Circular no. SEBI/HO/MIRSD/POD1/P/CIR/2023/70 dated May 17, 2023, to the extent applicable, and not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations.

Separately, pursuant to the SEBI ICDR Master Circular and the March 2021 Circular (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, for grievance redressal contact details of the BRLM pursuant to the March 2021 Circular, see “*Offer Procedure – General Instructions*” on page 412.

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

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

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

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM with whom the Bid cum Application Form was submitted by the Anchor Investor. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer, the BRLM 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.

Disposal of investor grievances by our Company

Our Company shall obtain SCORES authentication and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 read with the SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021, SEBI circular (SEBI/HO/OIAE/IGRD/P/CIR/2022/0150) dated November 7, 2022 the SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2023/156) dated September 20, 2023 and the SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2023/183) dated December 1, 2023, in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders’ Relationship Committee to review and redress the shareholders’ and investors’ grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, please see the section titled “*Our Management – Committees of our Board - Stakeholders’ Relationship Committee*” on page 256. Our Company has also appointed Pooja Padam Bhandari, Company Secretary and Compliance Officer of our Company, as the Compliance Officer for the Offer. For details, please see the section titled “*General Information*” beginning on page 82.

In the three years preceding the date of this Draft Red Herring Prospectus, our Company has not received any investor complaints. As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints in relation to our Company.

The Selling Shareholders has authorised the Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 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.

As on date of this Draft Red Herring Prospectus, none of our Subsidiaries is listed on any stock exchange.

Other confirmations

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VIII: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid-cum-Application Form, the Revision Form, the CAN/ Allotment Advice, the Abridged Prospectus and other terms and conditions as maybe incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating the issue of capital and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Offer to the extent applicable or such other conditions as may be prescribed by such governmental, statutory and/or regulatory authority while granting approval for the Offer.

The Offer

The Offer comprises a Fresh Issue and an Offer for Sale (including a Pre-IPO Placement) by our Company and the Selling Shareholders. For details in relation to the sharing of Offer expenses between our Company and the Selling Shareholders, please see section titled “*Objects of the Offer – Offer Related Expenses*” on page 115.

Ranking of the Equity Shares

The Equity Shares being offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act 2013, the Memorandum of Association, the Articles of Association, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA and SCRR and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company. 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. For more information, see “*Description of Equity Shares and Main Provisions of the Articles of Association*” beginning on page 423.

Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our equity shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared after the date of Allotment in this Offer will be received by the Allottees, for the entire year, in accordance with applicable law. For more information, see “*Dividend Policy*” and “*Description of Equity Shares and Main Provisions of the Articles of Association*” beginning on pages 269 and 423, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 2, and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share (“**Floor Price**”) and at the higher end of Price Band is ₹ [●] per Equity Share (“**Cap Price**”). At any given point of time there will be only one denomination for the Equity Shares. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Offer Price, Price Band and the minimum Bid Lot size in the Offer will be decided by our Company, in consultation with the BRLM, and shall be published at least two Working Days prior to the Bid/Offer Opening Date, advertised in all editions of the [●], an English language national daily with wide circulation and all editions of [●], a Hindi language national daily with wide circulation, and [●] editions of [●] (a widely circulated Marathi regional daily newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located), at least 2 Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the BRLM, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosures and accounting norms as specified by SEBI from time to time.

The Offer

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the 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 or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, SEBI Listing Regulations, our Memorandum of Association and the Articles of Association.

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 Main Provisions of Articles of Association*” beginning on page 423.

Joint Holders

Subject to the provisions contained in our 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.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, the following agreements have been signed among our Company, the respective Depositories, and the Registrar to the Offer:

- Tripartite Agreement dated August 18, 2021 between NSDL, our Company and Registrar to the Offer; and
- Tripartite Agreement dated March 29, 2019 between CDSL, our Company and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is 1 Equity Share. Allotment in this Offer will be only in electronic form in multiples of 1 Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “*Offer Procedure*” beginning on page 397.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, India.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 and rules framed thereunder read with the Companies (Share Capital and Debentures) Rules, 2014 as amended, the Sole Bidder, or the first bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which 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 nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. A buyer will be entitled to make a fresh nomination/ cancel nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form 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, as amended 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, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no requirement to make a separate nomination with our Company. Nominations registered with respective depository participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Offer

The Offer shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company in consultation with the BRLM, reserve the right to not proceed with the entire or portion of the Offer, in whole or in part thereof, 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 2 days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLM, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank (in case of RIBs using the UPI Mechanism), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within 1 Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared.

If our Company, in consultation with the BRLM withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges. Notwithstanding the foregoing, this 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 approval in respect of filing and/ or submission of the Prospectus with the RoC and Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of the Bid/Offer Closing Date or such other time period as prescribed under Applicable Law and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. 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.

Bid/Offer Programme

BID/OFFER OPENS ON	●*
BID/OFFER CLOSES ON	●**^

* Our Company, in consultation with the BRLM, may consider participation by Anchor Investors. The Anchor Investor Bidding Date will be 1 Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

** Our Company, in consultation with the BRLM, considers closing the Bid/Offer Period for QIBs 1 Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

^ UPI mandate end time and date shall be at 5pm, on Bid/Offer Closing Date.

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 (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the agreements to be entered into between our Company with the relevant intermediaries, to the extent applicable.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholder or the BRLM. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days of the Bid/ Offer Closing Date or such period as may be prescribed by SEBI, with reasonable support and cooperation from the Selling Shareholders as may be required in respect of its respective portion of the offered shares the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLM, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges or delay in receipt of final certificate from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings (“IPO”). The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory basis, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working days of Bid/ Offer Closing Date or such time prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

The Offer Procedure is subject to change based on any revised SEBI circulars that are issued or are effective or become applicable, after filing of this Draft Red Herring Prospectus.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Offer Closing Date*	
Submission of electronic applications (Online ASBA through 3-in-1 accounts) - For Retail Individual Bidders	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic applications (Bank ASBA through Online channels like internet banking, mobile banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹0.50 million)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (Syndicate non-retail, non-individual applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of physical applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of physical applications (Syndicate non-retail, non-individual applications) where Bid Amount is more than ₹0.50 million	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ revision/cancellation of Bids	
Upward revision of Bids by QIBs and Non-Institutional Bidders categories [#]	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/Offer Closing Date
Upward or downward revision of Bids or cancellation of Bids by Retail Individual Bidders	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/Offer Closing Date

* UPI mandate end time shall be 5:00 p.m. on the Bid/ Offer Closing Date.

[#] QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their Bids.

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- a) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- b) Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

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 up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids 1 day prior to the Bid/ Offer Closing Date and, in any case, no later than 12.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, 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 this Offer. Bids will be accepted on the Stock Exchange platform only on Working Days.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Further, as per letter no. list/SMD/SM/2006 dated

July 3, 2006, and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public/ bank holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, provide that the cap of the Price Band shall be at least 105% of the Floor Price. Floor Price shall not be less than the face value of the Equity Shares.

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 Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, 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 website of the BRLM and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

In case our Company does not receive the minimum subscription of 90% of the fresh Offer portion through Offer Document on the date of closure of the Offer; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the stock exchanges for the securities so issued under the issue document, and (ii) a subscription in the Offer equivalent to at least the minimum number of securities as specified under Rule 19(2)(b) of the SCRR, a subscription in the Offer equivalent to at least the minimum number of securities as specified under Rule 19(2)(b) of the SCRR our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI Master Circular no. SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (to the extent applicable.. If there is a delay beyond the prescribed time, our Company, and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum or such other amount prescribed under applicable law, including the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and the SEBI ICDR Master Circular.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

In the event of achieving aforesaid minimum subscription, however, there is under-subscription in achieving the total Offer size, the Equity Shares will be Allotted in the following order:

- a) such number of equity shares will be first Allotted by our Company such that 90% of the Offer portion is subscribed; and
- b) once Equity Shares have been allotted as per (a), such number of Equity Shares will be allotted by our Company towards the balance 10% of the Offer portion.
- c) Once Equity Shares have been allotted as per (a) and (b), all such number of Equity Shares held by the Selling Shareholder and offered for sale in the Offer for Sale will be Allotted.

Arrangement for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be 1 Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer equity shareholding, minimum Promoter's contribution and the Anchor Investor lock-in in the Offer, as detailed in "*Capital Structure – Details of minimum Promoters' contribution lock-in*" on page 101 and except as provided in the Articles of Association as detailed in "*Description of Equity Shares and Main Provisions of Articles of Association*" beginning on page 423, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association.

Option to receive Equity Shares in Dematerialized Form

Bidders should note that the allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

OFFER STRUCTURE

Offer of up to [●] Equity Shares of face value of ₹ 2 each for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million, comprising a Fresh Issue of [●] Equity Shares of face value of ₹ 2 each aggregating up to ₹ 1,750.00 million by our Company and an Offer for Sale of up to 8,924,274 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million by the Selling Shareholders. The Offer will constitute [●] % of the post-Offer paid-up equity share capital of our Company. The Offer is being made through the Book Building Process.

The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. The face value of our Equity Shares is ₹ 2 each.

Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation^{*(2)}	Not more than [●] Equity Shares of face value of ₹ 2 each	Not less than [●] Equity Shares of face value of ₹ 2 each available aggregating up to ₹ [●] million or Offer less allocation to QIB Bidders and Retail Individual Bidder(s)	Not less than [●] Equity Shares of face value ₹ 2 each 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, up to 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 QIB Bidders and Retail Individual Bidder(s) will be available for allocation, out of which: <ul style="list-style-type: none"> i. one-third of such portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million; and ii. two-third of such portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.00 million. <p>provided that the unsubscribed portion in either the sub-categories mentioned above may be allocated to</p>	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
		applicants in the other sub-category of Non-Institutional Bidders	
Basis of Allotment/allocation if respective category is oversubscribed*	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) Up to [●] Equity Shares of face value of ₹ 2 each shall be available for allocation on a proportionate basis to Mutual Funds only; and</p> <p>(b) Up to [●] Equity Shares of face value of ₹ 2 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price</p>	<p>The Equity Shares of face value of ₹ 2 each available for allocation to Non-Institutional Bidder under the Non- Institutional Portion, shall be subject to the following:</p> <p>a) one third of the portion available to Non-Institutional Bidders being [●] Equity Shares of ₹ 2 each are reserved for Bidders Biddings more than ₹ 0.20 million and up to ₹ 1.00 million; and</p> <p>b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares of ₹ 2 each are reserved for Bidders Bidding more than ₹ 1.00 million.</p> <p>The unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other sub- category of Non-Institutional Portion in accordance with SEBI ICDR Regulations.</p> <p>The allotment of specified securities to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability in the Non- Institutional Portion, and the remaining Equity Shares, if any, shall be Allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.</p>	<p>The allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares of face value of ₹ 2 each in the Retail Portion and the remaining available Equity Shares of face value of ₹ 2 each if any, shall be allotted on a proportionate basis.</p> <p>For details, see “Offer Procedure” beginning on page 397.</p>
Mode of Bidding[^]	Only through the ASBA process (excluding the UPI Mechanism) except for Anchor Investors	Only through the ASBA process (including UPI Mechanism for Bids up to ₹ 0.50 million)	Only through the ASBA process (including the UPI Mechanism)
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 0.20 million	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 0.20 million	[●] Equity Shares
Maximum Bid	Such number of Equity Shares of face value of ₹ 2 each in multiples of [●] Equity Shares of face value of ₹ 2 each so that the Bid does not exceed the size of the Offer (excluding the Anchor Investor Portion), subject to applicable limits under applicable law	Such number of Equity Shares of face value of ₹ 2 each in multiples of [●] Equity Shares of face value of ₹ 2 each so that the Bid does not exceed the size of the Offer excluding the QIB Portion, subject to applicable limits under applicable law	Such number of Equity Shares of face value of ₹ 2 each in multiples of [●] Equity Shares of face value of ₹ 2 each so that the Bid Amount does not exceed ₹ 0.20 million
Bid Lot	[●] Equity Shares of face value of ₹ 2 each and in multiples of [●] Equity Shares of face value of ₹ 2 each thereafter.		
Mode of allotment	Compulsorily in dematerialised form.		
Allotment Lot	Minimum of [●] Equity Shares of face value of ₹ 2 each and in multiples of one Equity Share of face value of ₹ 2 each thereafter.		
Trading Lot	One Equity Share of face value of ₹ 2 each.		
Who can apply⁽³⁾	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies,	Resident Indian individuals, Eligible NRIs and

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
	commercial banks, Mutual Funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, multilateral and bilateral development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250.00 million, pension fund with minimum corpus of ₹250.00 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 in accordance with applicable law and National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies	scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices which are recategorized as category II FPIs and registered with SEBI	HUFs (in the name of Karta)
Terms of Payment	<p>In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids.⁽⁴⁾</p> <p>In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism (for UPI Bidders) that is specified in the ASBA Form at the time of submission of the ASBA Form.</p>		

*Assuming full subscription in the Offer.

^SEBI vide its Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, the Stock Exchanges shall, for all categories of investors viz. QIBs, Non-Institutional Investors and Retail Individual Investors and also for all modes through which the applications are processed, accept the ASBA applications in the electronic book building platform only with a mandatory confirmation on the application monies blocked.

- (1) Our Company, in consultation with the BRLM, 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 at which allocation is being made to other Anchor Investors. For further details, see "Offer Procedure" beginning on page 397.
- (2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-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 to Mutual Funds only, and spill over of the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. For further details, see “**Terms of the Offer**” beginning on page 386.

- (3) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.
- (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. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLM. Anchor Investors are not permitted to participate in the Offer through the ASBA process. SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings, where the application amount is up to ₹ 500,000, shall use UPI. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. Further SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIB and RIB and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM 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 details, see “**Terms of the Offer**” beginning on page 386.

Bids by FPIs with certain structures as described under “**Offer Procedure - Bids by FPIs**” on page 406 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes, and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations and is a 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 BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; (xiii) price discovery and allocation and (xiv) interest in case of delay in Allotment or refund.

SEBI through the UPI Circulars 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. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by UPI Bidders through intermediaries from January 1, 2019. The UPI Mechanism for UPI Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (**UPI Phase I**), until June 30, 2019.

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 for applications by UPI Bidders through Designated Intermediaries (other than SCSBs), as superseded by SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 which was further superseded by SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (to the extent applicable), 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 vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till further notice. However, given the uncertainty due to the COVID19 pandemic, SEBI vide its Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) and modalities of the implementation of UPI Phase III was notified by SEBI by SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all public issues opening on or after September 1, 2023; and on mandatory on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any further circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) to the extent relevant for RTAs, and rescinded these circulars. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar. This circular shall come into force for initial public offers opening on/or after May 1, 2022, and the provisions of

this circular are deemed to form part of this Draft Red Herring Prospectus. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and the SEBI ICDR Master Circular, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of in accordance with applicable law for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO /CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and circular no. CDSL/OPS/RTA/POLICY/2023/161 dated August 8, 2023 issued by CDSL, our Company may request the Depositories to suspend/ freeze the ISIN in depository system till listing/ trading effective date. Pursuant to the aforementioned circulars, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of the Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Offer shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/ Offer Opening Date.

Book Building Procedure

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹ 0.2 million and up to ₹ 1 million; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

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, in consultation with the BRLM, 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.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020, read with press release dated June 25, 2021 and September 17, 2021, CBDT circular no.7 of 2022, dated March 30, 2022 and March 28, 2023, and any subsequent press releases in this regard.

Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement for an amount aggregating up to ₹ 350.00 million, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including the DP ID and the Client ID and the PAN and UPI ID (for UPI Bidders Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press releases dated June 25, 2021 and September 17, 2021.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company has appointed the Sponsor Banks to act as a conduit between the Stock Exchanges and National Payments Corporation of India (“NPCI”) in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

NPCI through its circular (NPCI/UPI/OC No. 127/ 2021-22) dated December 9, 2021, inter alia, has enhanced the per transaction limit from ₹0.20 million to ₹0.50 million for applications using UPI in initial public offerings.

Phased implementation of UPI

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares.. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by UPI Bidders through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in 3 phases in the following manner:

- a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of 5 main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continued to be six Working Days.
- b) **Phase II:** This phase has become applicable from July 1, 2019. SEBI through its Circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (SEBI Master Circular no.

SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 ((to the extent applicable))) decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Further, SEBI through its Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (as superseded by SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable)) decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the physical ASBA Form by an RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

- c) **Phase III:** Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, Phase III has been notified, and accordingly the revised timeline of T+3 days (i.e., the time duration from public issue closure to listing of be 3 Working Days) has been made applicable in two phases i.e., (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023 (**T+3 Circular**). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The processing fees for applications made by UPI Bidders may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**UPI Streamlining Circular**"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the applicable law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time. Accordingly, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Notification. The Offer shall be advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra where our Registered Office is situated), on or prior to the Bid/ Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

The Offer will be made under UPI Phase III of the UPI Circular. If the Offer is made under UPI Phase III of the UPI Circulars, then the details will be accordingly updated in the Red Herring Prospectus.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, NPCI vide circular reference number NPCI/UPI/OC No. 127/ 2021-22 dated December 9, 2021, inter alia, has enhanced the per transaction limit from ₹ 200,000 to ₹ 500,000 for applications using UPI based ASBA in initial public offerings.

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders applying in public issues where the application amount is up to ₹ 0.50 million shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- i. a Syndicate Member;
- ii. a stockbroker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- iii. a Depository Participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); and
- iv. a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. UPI Bidders shall Bid in the Offer through the UPI Mechanism. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

All ASBA Bidders must provide either (i) bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Form that does not contain such details are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

Retail Individual Investors submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Retail Individual Investors with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner as follows: (i) UPI Bidders Bidding using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers; (ii) RIBs authorizing an SCSB to

block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers and (iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs. For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLM. ASBA Bidders including the UPI 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, pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which is effective from September 1, 2022. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked including details as prescribed in Annexure II of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. QIBs, Non-Institutional Investors and Retain Individual Investors, and also for all modes through which the applications are processed.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Foreign Portfolio Investors ("FPIs"), Eligible Non-Resident Investors ("NRIs") applying on a repatriation basis, Foreign Venture Capital Investors ("FVCIs") and registered bilateral and multilateral institutions	[●]
Anchor Investors	[●]

* Excluding electronic Bid cum Application Forms

Notes:

(1) Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLM.

The Equity Shares offered in the Offer have not been and will not be registered, listed, or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offer and sales occur.

In case of ASBA Forms (except ASBA forms submitted by UPI Bidders), the relevant, Designated Intermediaries (other than SCSBs) shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges.

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

Subsequently, for ASBA Forms (other than UPI Bidders using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission

within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank shall initiate a request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the BRLM for analysing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank on a continuous basis.

In accordance with BSE Circular no: 20220803-40 and NSE Circular no: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5.00 p.m. on the Bid/Offer Closing Date (**Cut-Off Time**). Accordingly, UPI Bidders Bidding using the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send alerts as specified in SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, and SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable).

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation on compliance with SEBI RTA Circular, in a format prescribed by SEBI or applicable law.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

ELECTRONIC REGISTRATION OF BIDS

1. The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.
2. On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as will be disclosed in the Red Herring Prospectus.
3. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5:00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

4. QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Participation by the Promoter, the members of the Promoter Group, the BRLM, associates and affiliates of the BRLM and the Syndicate Members and the persons related to the Promoter, the members of the Promoter Group, BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLM or any associates of the BRLM (Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLM or pension funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associates of the BRLM, neither the BRLM nor its respective associates can apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a ‘person related to the Promoter or Promoter Group’; (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an ‘associate of the Lead Manager’ if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLM.

Further, the Promoters and the members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoters and the members of the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or the members of the Promoter Group of our Company.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations and in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below

1. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
5. Our Company, in consultation with the BRLM, may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

- a. maximum of 2 Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
 - b. minimum of 2 and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
 - c. in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of 5 such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Offer Opening Date, through intimation to the Stock Exchange.
 7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
 8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Offer Price.
 9. 50% Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment and the remaining 50% of the Equity Shares shall be locked-in for a period of 90 days from the date of Allotment.
 10. Neither the BRLM or any associate of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies or family offices which are associate of the BRLM or pension funds sponsored by entities which are associates of the BRLM) nor any 'person related to the Promoters or the members of our Promoter Group' shall apply in the Offer under the Anchor Investor Portion.
 11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, see the General Information Document.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

The information set out above is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder, severally and not jointly and the Book Running Lead Manager are not liable for any amendments or modification or changes to 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 regulations, or as will be specified in the Red Herring Prospectus and the Prospectus.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company, in consultation with BRLM reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds, exchange traded fund sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCsBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (**NRE Account**), or Foreign Currency Non-Resident Accounts (**FCNR Account**), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCsBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (**NRO**) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Regulations.

Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share 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 adopted by the general body of the Indian company.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts. 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 restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 421.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: ‘Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta’. Bids by HUFs will be considered at par with Bids from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be reclassified as FDI subject to the conditions as specified by SEBI and the RBI

in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilize the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids. 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 case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLM, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its Circular dated July 13, 2018 has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

1. such offshore derivative instruments are issued only by persons registered as Category I FPIs;
2. such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
3. such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
4. such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (1) to (4)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Such participation shall be subject to the FEMA Rules.

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 SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022, 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 multiple investment managers ("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 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 (MIM Structure) 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 7 structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form “*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.*”

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the “**FPI Group**”) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

For details of investment by FPIs, see “**Restrictions on Foreign Ownership of Indian Securities**” beginning on page 421. Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, (**SEBI AIF Regulations**) prescribe, amongst others, the investment restrictions on AIFs. Pursuant to the repeal of the SEBI VCF Regulations, 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 fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations, *inter alia* prescribe the investment restrictions on FVCIs registered with SEBI.

The holding in any company by any individual VCF registered with SEBI should not exceed 25% of the corpus of the VCF. Further, FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings. Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. However, large value funds for accredited investors of Category I AIFs and Category II AIFs may invest up to 50% of the investible funds in an investee company. A category III AIF cannot

invest more than 10% of the investible funds in one investee company. However, large value funds for accredited investors of Category III AIFs may invest up to 20% of the investible funds in an investee company. Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules, amended from time to time. 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, Selling Shareholders, severally and not jointly, or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of AIFs, VCFs and FVCIs shall also be subject to the FEMA Rules.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLM, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (**Banking Regulation Act**), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Bids by banking Companies should not exceed the investment limits prescribed for them under the applicable laws.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company in consultation with BRLM, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable laws.

The exposure norms for insurers, prescribed under Regulation 9 the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (**IRDA Investment Regulations**) – Master Circular dated October 27, 2022, 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.*

Bidders are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company, in consultation with BRLM, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

For more information, please read the General Information Document.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 (in each case, subject to applicable law and in accordance with their respective constitutional documents) a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along

with the Bid cum Application Form. Failing this, our Company, in consultation with BRLM reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLM, may deem fit.

Bids by provident funds/pension funds

In case of Bids made by provident funds / pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company and the BRLM is 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, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of 3 Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM is cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, all editions of the [●], an English language national daily with wide circulation and all editions of [●], a Hindi national daily newspaper and [●] editions of [●] (a widely circulated Marathi regional daily newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/ Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company intends to enter into an Underwriting Agreement with the Underwriters on or after the determination of the Offer Price, but prior to the filing of the Prospectus. After signing the Underwriting Agreement, the Company will file the Red Herring Prospectus with the RoC in accordance with the law, which would be then termed as the Prospectus. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer Size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise or withdraw their Bid(s) until the Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines, and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder bidding using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder 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. UPI Bidders bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the GID;
7. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM;
8. 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. Ensure that you use only your own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer;
9. If the first Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all Bidders other than UPI Bidders bidding using the UPI Mechanism);
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 or acknowledgment specifying the application number as a proof of having accepted 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 (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 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 the link available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> for SCSBs and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> for mobile applications or at such other websites as may be prescribed by SEBI from time to time;
15. UPI Bidders who wish to Bid using the UPI Mechanism should submit their Bids with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the Bid Amount in the UPI Bidder's ASBA Account;
16. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
17. 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;
18. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
19. 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 no. MRD/DoP/SE/Cir- 8 /2006 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;
20. Bidders should ensure that their PAN is linked with their Aadhaar and that they are in compliance with the notification dated February 13, 2020, issued by the Central Board of Direct Taxes and the subsequent press releases, including press releases dated June 25, 2021 and September 17, 2021;
21. Ensure that the Demographic Details are updated, true and correct in all respects;
22. 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;
23. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

24. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
25. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
26. Ensure that Bids above ₹ 500,000 submitted by ASBA Bidders are uploaded only by the SCSBs.
27. 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;
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. UPI Bidders 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, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder 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 UPI Bidders 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).
31. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;
32. 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 Banks to authorise blocking of funds equivalent to the revised Bid amount in the RIB's ASBA Account;
33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. IST on the Bid/ Offer Closing Date;
34. Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the non-institutional category for allocation in the Offer;
35. 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 ₹ 0.2 million (for Bids by Retail Individual Bidders);
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated

Intermediary;

4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account;
9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
10. If you are a UPI Bidder using UPI mechanism, do not submit more than one Bid cum Application 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 UPI Bidder;
20. Do not Bid on another Bid cum Application 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 more Equity Shares than what is specified by respective Stock Exchange for each category;
22. If you are a QIB, do not submit your Bid after 5 p.m. on the QIB Bid/Offer Closing Date;
23. Do not submit your Bid after 5:00 pm on the Bid/Offer Closing Date;
24. In case of ASBA Bidders (other than 3-in-1 Bids), the Syndicate Members shall ensure that they do not upload any bids above ₹ 0.50 million;
25. 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;

26. 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. RIB may revise or withdraw their Bids on or before the Bid/Offer Closing Date;
27. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations. If you are a UPI Bidder using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;
28. If you are a UPI Bidder 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;
29. Do not Bid if you are an OCB;
30. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website are liable to be rejected;
31. Do not submit the Bid cum Application Forms to any non-SCSB bank or at a location other than the Bidding Centres;
32. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidders using the UPI Mechanism).

For helpline details of the Book Running Lead Manager pursuant to the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), see “**General Information - Book Running Lead Manager**” on page 84.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

In case of any pre-Offer or post Offer related issues regarding demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Secretary and Compliance Officer and the Registrar, see “**General Information**” beginning on page 82. For details of grounds for technical rejections of a Bid cum Application Form, see the General Information Document.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Manager;
7. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary.

8. ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;
9. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
10. Bids submitted without the signature of the First Bidder or sole Bidder;
11. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
12. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
13. GIR number furnished instead of PAN;
14. Bids by RIBs with Bid Amount of a value of more than ₹200,000;
15. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals; and
16. Bids accompanied by stock invest, money order, postal order or cash.

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 the Company Secretary and Compliance Officer, and the Registrar to the Offer. For details of the Company Secretary and Compliance Officer, and the Registrar to the Offer., see “**General Information**” beginning on page 82.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

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 BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the issue document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the net issue to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Investors, Non-Institutional Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis. Not more than 15% of the Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion, shall be subject to the following, and in accordance with the SEBI ICDR Regulations: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for Non-Institutional Investors with an application size of more than ₹ 0.20 million and up to ₹ 1 million, and (ii) two-third of the portion available to Non- Institutional Bidders shall be reserved for Non-Institutional Investors with application size of more than ₹ 1 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investor. The allotment to each Non-Institutional Investors shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- i. In case of resident Anchor Investors: '[●]'
- ii. In case of Non-Resident Anchor Investors: '[●]'

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the:

- Tripartite Agreement dated August 18, 2021, among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated March 29, 2019, among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

1. That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 6 Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;
3. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
4. 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;

5. That if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within 2 days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
6. That if our Company, in consultation with the BRLM, withdraws the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter;
7. Minimum Promoter's contribution, if any, shall be brought in advance before the Bid/Offer opening Date;
8. That adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
9. That except for the Pre-IPO Placement, no further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc; and
10. That 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.

Undertakings by the Selling Shareholders

The Selling Shareholders undertake that:

1. its Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
2. it shall, severally and not jointly, extend such reasonable support, documentation and reasonable cooperation as required or requested by the Company and/or the Book Running Lead Manager (a) in relation to its Offered Shares, and (b) in relation to its disclosures required under the SEBI ICDR Regulations to facilitate the process
3. it shall, severally and not jointly, undertake to provide reasonable support and extend reasonable cooperation as required or requested by the Company and/ or the Book Running Lead Manager for the purpose of redressal of such investor grievances received in the Offer;
4. it shall deposit the Offered Shares in an escrow demat account in accordance with the Share Escrow Agreement;
5. it is the legal and beneficial owner of the Offered Shares and such Offered Shares shall be transferred in the Offer free from lien, charge and encumbrance; and
6. it shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until the final approval for listing and trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

Utilisation of Offer Proceeds

Our Board of Directors confirm that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act and the details of all monies utilised out of the Offer shall be disclosed, and continued to be disclosed till the time any part of the Offer proceeds remain unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised. Details of all monies unutilised, shall be disclosed under an appropriate head in the balance sheet of our Company indicating the from in which such unutilised monies have been invested.

The Company and 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

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

'Any person who –

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.'*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than 6 months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to 3 times such amount (provided that where the fraud involves public interest, such term shall not be less than 3 years.) Further, where the fraud involves an amount less than ₹ 1 million or 1% the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to 5 years or with fine which may extend to ₹ 5 million or with both.

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. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The 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 and clarifications among other amendments.

The DPIIT issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (**Consolidated FDI Policy**), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

As per the Consolidated FDI Policy, FDI in companies engaged in manufacturing, which is the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, please see section titled “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on page 406 each.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of, and in accordance with the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (**Restricted Investors**), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 which came into effect on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating whether government approval shall be required to be obtained under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares, as applicable. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For details, see “*Offer Procedure*” beginning on page 397. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along

with a copy thereof within the Bid/Offer Period.

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 laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in ‘offshore transactions’ in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such issue and sales are made. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure - Bids by FPIs*” on page 406 each.

The above information is given for the benefit of the Bidders. Our Company, our Promoters, our Directors, the Selling Shareholders and the BRLM are not liable for any amendments, modification, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for which do not exceed the applicable limits under laws and regulations.

SECTION IX: DESCRIPTION OF EQUITY SHARES AND MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below. Further, except for the following, there is no material clause of Article of Association which have been left out from disclosure having a bearing on the Offer:

THE COMPANIES ACT, 2013

THE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GEM AROMATICS LIMITED

Preliminary

1. (1) Subject to as hereinafter provided, and in so far as these presents do not modify or exclude them, the regulations contained in Table 'F' of Schedule I of the Companies Act, 2013, as amended, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles. Table 'F' not to apply
- (2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. Company to be governed by these Articles

Definitions and Interpretation

2. (1) In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following -
- (a) **“Act”** means the Companies Act, 2013 (including the relevant rules framed thereunder) or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. “Act”
- (b) **“Applicable Laws”** means all applicable statutes, laws, ordinances, rules and regulations, judgments, notifications circulars, orders, decrees, bye-laws, guidelines, or any decision, or determination, or any interpretation, policy or administration, having the force of law, including but not limited to, any authorization by any authority, in each case as in effect from time to time. “Applicable Laws”
- (c) **“Articles of Association”** or **“Articles”** means these articles of association of the Company or as altered from time to time in accordance with the Act. “Articles”

- (d) **“Board of Directors”** or **“Board”**, means the collective body of the Directors of the Company nominated and appointed from time to time in accordance with Articles 87 to 97, herein, as may be applicable. “Board of Directors” or “Board”
- (e) **“Company”** means Gem Aromatics Limited.’ “Company”
- (f) **“Chairperson”** means the chairperson appointed by the Board of Directors of the Company, in accordance with the Act. “Chairperson”
- (g) **“Depository”** means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Act and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992. “Depository”
- (h) **“Director”** shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the provisions of these Articles.
- (i) **“Lien”** means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker’s lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy. “Lien”
- (j) **“Member”** means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository; “Member”
- (k) **“Memorandum”** or **“Memorandum of Association”** means the memorandum of association of the Company or as may be altered from time to time. “Memorandum”
- (l) **“Officer”** shall have the meaning assigned thereto by the Act. “Rules”
- (m) **“Rules”** means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
- (n) **“SEBI”** means Securities Exchange Board of India established under Securities Exchange Board of India Act, 1992. “SEBI”
- (o) **“SEBI LODR Regulations”** means the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended. “SEBI LODR Regulations”
- (p) **“Stock Exchange”** means National Stock Exchange of India Limited, BSE Limited or such recognized stock exchange in India or outside of India. “Stock Exchange”
- (q) **“Tribunal”** means the National Company Law Tribunal constituted under section 408 of the Act.

- (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender. “Number” and “Gender”
- (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be. Expressions in the Articles to bear the same meaning as in the Act

Articles to be contemporary in nature

3. The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. Articles to be contemporary in nature

Share capital and variation of rights

4. The authorized share capital of the Company shall be such amount and be divided into such class(es), denomination(s) and number of shares in the Company as may from time to time, be provided in Clause V of Memorandum of Association with power to reclassify, subdivide, consolidate and increase and with power from time to time, to: (i) issue any shares of the original capital or any new capital and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division; and (ii) divide the shares in the capital for the time being into other classes and to attach thereto respectively such 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. Authorized share capital

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

5. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting. Shares under control of Board

6. Subject to the provisions of the Act, these Articles and with the sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or Board may allot shares otherwise than for cash

premium during such time and for such consideration as the Board think fit, the Board may issue, allot or otherwise dispose shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

7. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other Applicable Laws: Kinds of share capital
- (a) Equity Share capital:
 - (i) with voting rights; and / or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
 - (b) Preference share capital
8. (1) Unless the shares have been issued in dematerialized form, every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission, sub-division, consolidation or renewal of shares or within such other period as the conditions of issue shall provide – Issue of certificate
- (a) one or more certificates in marketable lots for all his shares of each class or denomination registered in his name without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of Rupees Twenty for each certificate or such charges as may be fixed by the Board for each certificate after the first.

Limitation of time for issue of 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 time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission , sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

- (2) Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders. The share certificate may be signed by two directors or by a director and the Company Secretary, as provided under the Act
- Issue of share certificate in case of joint holding
- (3) Every certificate shall specify the shares to which it relates, distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Board may prescribe and approve.
- Option to receive share certificate or hold shares with Depository
9. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a Depository, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time, or any statutory modification thereto or re-enactment thereof. Where a person opts to hold any share with the Depository, the Company shall intimate such Depository the details of allotment of the share to enable the Depository to enter in its records the name of such person as the beneficial owner of that share. The Company shall also maintain a register and index of beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in dematerialized form in any medium as may be permitted by law including in any form of electronic medium.
- Option to receive share certificate or hold shares with Depository
10. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees not less than Rupees twenty and not more than Rupees fifty for each certificate as may be fixed by the Board.
- Issue of new certificate in place of one defaced, lost or destroyed
- 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 Board shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof in this behalf.
- The provision of this Article shall mutatis mutandis apply to debentures of the company.
11. Except as required by Applicable Laws, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable,
- Share and interest in shares

contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by Applicable Laws) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

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| 12. | Subject to the applicable provisions of the Act and other Applicable Laws, any debentures, debenture-stock or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at a general meeting, appointment of nominee directors, etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by special resolution. | Terms of issue of debentures |
| 13. | The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company. | Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc. |
| 14. | <p>(1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.</p> <p>(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.</p> <p>(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p> | <p>Power to pay commission in connection with securities issued</p> <p>Rate of commission in accordance with Rules</p> <p>Mode of payment of commission</p> |
| 15. | <p>(1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.</p> <p>(2) To every such separate meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p> | <p>Variation of members' rights</p> <p>Provisions as to general meetings to apply <i>mutatis mutandis</i> to each meeting</p> |
| 16. | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith. | Issue of further shares not to affect rights of existing members |
| 17. | Subject to section 55 and other provisions of the Act, the Board by the sanction of an ordinary resolution shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as the Company before the issue of the shares may, by special resolution, determine. | Power to issue redeemable preference shares |

18. (1) Where at any time, the Board or the Company, as the case may be, proposes to increase its subscribed capital by issue of further shares, either out of the unissued capital or the increased share capital, such shares shall be offered: Further issue of share capital

(a). to persons who, at the date of offer, are holders of Equity Shares of the Company, in proportion as near as circumstances admit, to the share capital paid up on those shares by sending a letter of offer on the following conditions, namely : -

- i. the aforesaid offer shall be made by a notice specifying the number of shares offered and limiting a time prescribed under the Act from the date of the offer within which the offer, if not accepted, will be deemed to have been declined; and
- ii. the aforementioned offer 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 mentioned in sub-Article (i), above shall contain a statement of this right; and
- iii. after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company; or

(b) to employees under any scheme of employees' stock option, subject to a special resolution passed by the shareholders of the Company and subject to the conditions as specified under the Act and Rules thereunder; or

(c) to any persons, if it is authorized by a special resolution passed by the Company in a general meeting, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to applicable provisions of the Act and Rules thereunder. Provided that in respect of issue of shares as aforesaid, subsequent to listing of the Equity Shares of the Company on the Stock Exchange(s) pursuant to an initial public offering, the price of the shares shall be determined in accordance with applicable provisions of regulations made by Securities and Exchange Board of India and/or other applicable laws and the requirement for determination of price through valuation report of a registered valuer under the Act and the rules made thereunder shall not be applicable.

The notice referred to in sub-clause (i) of sub-Article (a) 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 Members at least 3 (three) days before the opening of the issue or such time period as may be prescribed under Applicable Law.

The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act, the rules thereunder and other applicable provisions of the Act.

- (2) 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 debenture or loans into shares in the Company.

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debenture or the raising of loan by a special resolution passed by the Company in general meeting.

- (3) 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 with pricing method prescribed to listed entities under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, if applicable. Mode of further issue of shares
- (4) Notwithstanding anything contained in sub-Article (2), where any debentures have been issued, or loan has been obtained from any Government by a 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 conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after the company and Government pass such order as it deems fit.

- (5) In determining the terms and conditions of conversion under sub-Article (4), the Government shall have due regard to the financial position of the company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
- (6) Where the Government has, by an order made under sub- Article (4), directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the Tribunal under sub- Article (4) or where such appeal has been dismissed, the memorandum of such company shall, stand altered and the authorized share capital of such company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

Dematerialisation of securities

19. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

20. The Board or any Committee thereof shall be entitled to dematerialize securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialized.
21. Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.
22. If a person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.
23. All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.
24. Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.
25. ii. Save as otherwise provided in sub-clause above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
26. iii. Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.
27. Notwithstanding anything to the contrary contained in these Articles, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of Electronic Mode or by delivery of floppies or discs.
28. Nothing contained in Section 56 of the Act or anything to the contrary contained in these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
29. Notwithstanding anything to the contrary contained in these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
30. Notwithstanding anything to the contrary contained in these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
31. The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

Lien

32. (1) The fully paid shares will be free from all lien, while the Company shall have a first and paramount Lien – Company's lien on shares
 - (a) 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 monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/debenture; and
 - (b) on all shares/debentures (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

Provided further that Company's lien, if any, on such partly paid shares, shall be restricted to money called or payable at a fixed price in respect of such shares.

Further, no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect, and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures.

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| (2) | The Company's Lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. | Lien to extend to dividends, etc. |
| (3) | Unless otherwise agreed by the Board, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's Lien, if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause. | Waiver of Lien in case of registration |
| 33. | <p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a Lien:</p> <p>Provided that no sale shall be made—</p> <p>(a) unless a sum in respect of which the Lien exists is presently payable; or</p> <p>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the Lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.</p> <p>No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.</p> | As to enforcing Lien by sale |
| 34. | <p>(1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.</p> <p>(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>(3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.</p> <p>(4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale</p> | <p>Validity of sale</p> <p>Purchaser to be registered holder</p> <p>Validity of Company's receipt</p> <p>Purchaser not affected</p> |
| 35. | <p>(1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the Lien exists as is presently payable.</p> <p>(2) The residue, if any, shall, subject to a like Lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p> | <p>Application of proceeds of sale</p> <p>Payment of residual money</p> |

- In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
36. The provisions of these Articles relating to Lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Outsider's Lien Not to Affect Company's Lien

Provisions as to Lien to apply *mutatis mutandis* to debentures, etc.

Calls on shares

37. (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times;
- Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the preceding call.
- (2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- (3) A call may be revoked or postponed at the discretion of the Board
38. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
39. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
40. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
- (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.
41. (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
42. The Board –
- (a) may, if it thinks fit, subject to the provisions of the Act, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

Board may make Calls

Notice of call

Revocation or postponement of call

Call to take effect from date of resolution

Liability of joint holders of shares

When interest on call or instalment payable

Board may waive interest

Sums deemed to be calls

Effect of nonpayment of sums

Payment in anticipation of calls may carry interest

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

The Directors may at any time repay the amount so advanced.

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| 43. | If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder. | Installments on shares to be duly paid |
| 44. | All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class. | Calls on shares of same class to be on uniform basis |
| 45. | The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions as to calls to apply mutatis mutandis to debentures, etc. |

Transfer of shares

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| 46. | <p>(1) A common form of transfer shall be used and the instrument of transfer of any share in the Company shall be in writing which shall be duly executed by or on behalf of both the transferor and transferee and all provisions of section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.</p> <p>(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p> | Instrument of transfer to be executed by transferor and transferee |
| 47. | <p>The Board may, subject to the right of appeal conferred by the section 58 of the Act decline to register –</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) any transfer of shares on which the Company has a Lien.</p> <p>The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</p> <p>Subject to the provisions of the Act, these Articles and any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company.</p> <p>The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such</p> | Board may refuse to register transfer |

refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

48. The Board may decline to recognize any instrument of transfer unless-
- Board may decline to recognize instrument of transfer
- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under sub-section (1) of section 56 of the Act;
 - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of shares.

The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

49. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Transfer of shares when suspended
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

50. Subject to the provisions of sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Applicable Laws for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or any other Applicable Laws to register the transfer of, or the transmission by operation of Applicable Laws of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, or such other period as may be prescribed, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that, subject to provisions of Article 35, the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. Transfer of shares/debentures in whatever lot shall not be refused.
- Notice of refusal to register transfer

51. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.
- Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.

Transmission of shares

52. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.
- Title to shares on death of a member

decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

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| 59. | The notice aforesaid shall: | Form of Notice |
| | <ul style="list-style-type: none"> (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. | |
| 60. | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. | In default of payment of shares to be forfeited |
| 61. | When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members. | Entry of forfeiture in register of members |
| 62. | The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved. | Effect of forfeiture |
| 63. | <ul style="list-style-type: none"> (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. | <p>Forfeited shares may be sold, etc.</p> <p>Cancellation of forfeiture</p> |
| 64. | <ul style="list-style-type: none"> (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. (2) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares. | <p>Members still liable to pay money owing at the time of forfeiture</p> <p>Cesser of liability</p> |
| 65. | <ul style="list-style-type: none"> (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; | <p>Certificate of forfeiture</p> <p>Title of purchaser and transferee of forfeited shares</p> |

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| (3) | The transferee shall thereupon be registered as the holder of the share; and | Transferee to be registered as holder |
| (4) | The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share. | Transferee not affected |
| 66. | Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person. | Validity of sales |
| 67. | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto. | Cancellation of share certificate in respect of forfeited shares |
| 68. | The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit. | Surrender of share certificates |
| 69. | The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. | Sums deemed to be calls |
| 70. | The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc. |

Borrowing Powers

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| 71. | Subject to the provisions of the Act and these Articles, the Board may from time to time, at its own discretion, borrow monies by passing a resolution at meetings of the Board; provided however, that if the monies to be borrowed, together with the money already borrowed by the Company exceeds the aggregate of the paid-up share capital and free reserves and securities premium of the Company, then such borrowing must be approved by way a special resolution in accordance with the provisions of the Act. | Power of the Board to borrow monies |
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Copies of memorandum and articles to be sent to members

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| 72. | Copies of the Memorandum and Articles of Association of the Company and of other documents referred to in Section 17 of the Act shall be sent by the Board to every Member at his request, within 7 days of the request, on payment of rupee one hundred for each copy. | |
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Alteration of capital

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| 73. | Subject to the provisions of the Act, the Company in its general meetings may, by an ordinary resolution, from time to time - | Power to alter share capital |
| | (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; | |

- (b) consolidate and divide all or any of its share capital into shares of larger or smaller 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;

- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide or consolidate its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution 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 shares so cancelled.

74. Where shares are converted into stock: Right of stockholders

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
- (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “**share**” and “**shareholder**”/ “**member**” shall include “**stock**” and “**stockholder**” respectively.

75. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — Reduction of capital

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.

76. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles: Joint holders

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| (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share. | Liability of Joint holders |
| (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. | Death of one or more joint-holders |
| (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. | Receipt of one Sufficient |
| (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders. | Delivery of certificate and giving of notice to first named holder |
| (e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof. | Vote of joint holders |
| (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders. | Executors or administrators as joint holders |
| (f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names. | Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc. |

Capitalization of profits

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| 77. (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve — | Capitalization |
| (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and | |
| (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. | |
| (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards: | Sum how applied |

- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of these Article.
78. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall –
- (a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
 - (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on such members.

Powers of the Board for capitalization

Board's power to issue fractional certificate/ coupon etc.

Agreement binding on members

Buy-back of shares

79. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other Applicable Laws for the time being in force, the Company may purchase its own shares or other specified securities.
- Buy-back of shares

General meetings

80. All general meetings other than annual general meeting shall be called extraordinary general meeting.
- Extraordinary general meeting
81. The Board may, whenever it thinks fit, call an extraordinary general meeting.
- Powers of Board to call extraordinary general meeting

Proceedings at general meetings

82.	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.	Presence of Quorum
83.	No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.	Business confined to election of Chairperson whilst chair vacant
84.	The quorum for a general meeting shall be as provided in the Act.	Quorum for general meeting
85.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.	Members to elect a Chairperson
86.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson at general meeting
87.	(1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors, and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.	Minutes of proceedings of meetings and resolutions passed by postal ballot
	(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –	Certain matters not to be included in Minutes
	(a) is, or could reasonably be regarded, as defamatory of any person; or	
	(b) is irrelevant or immaterial to the proceedings; or	
	(c) is detrimental to the interests of the Company.	
	(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	Discretion of Chairperson in relation to Minutes
	(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	Minutes to be Evidence
88.	(1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:	Inspection of minute books of general meeting
	(a) be kept at the registered office of the Company; and	
	(b) be open to inspection of any member without charge, during business hours on all working days.	
	(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.	Members may obtain copy of minutes

Adjournment of meeting

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| 89. | (1) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting,, adjourn the meeting from time to time and from place to place. | Chairperson may adjourn the meeting |
| | (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. | Business at adjourned meeting |
| | (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. | Notice of adjourned meeting |
| | (4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. | Notice of adjourned meeting not required |

Voting rights

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| 90. | Subject to any rights or restrictions for the time being attached to any class or classes of shares -
(a) on a show of hands, every member present in person shall have one vote; and
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up Equity Share capital of the company. | Entitlement to vote on show of hands and on poll |
| 91. | A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once. | Voting through electronic means |
| 92. | (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. | Vote of joint holders

Seniority of names |
| 93. | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians. | How members non compos mentis and minor may vote |
| 94. | Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. | Business may proceed pending poll |
| 95. | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of Lien. | Restriction on voting rights |
| 96. | A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article. | Restriction on exercise of voting rights in other cases to be void |
| 97. | Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class. | Equal rights of members |

Proxy

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| 98. | (1) | 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. | Member may vote in person or otherwise |
| | (2) | The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. | Proxies when to be deposited |
| 99. | | An instrument appointing a proxy shall be in the form as prescribed in the Rules. | Form of proxy |
| 100. | | A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used. | Proxy to be valid notwithstanding death of the principal |

Board of Directors

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| 101. | | Unless otherwise determined by the Company in general meeting, the number of directors on the Board of Directors of the Company shall not be less than 3 (three) and shall not be more than 15 (fifteen). Provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. | Board of Directors |
| 87A | | The provisions of this Article 87A shall be subject to and effective from the date of receipt of shareholders' approval, through a special resolution to this effect in a general meeting of the Company, following the listing and commencement of trading of Equity Shares of the Company on a recognized Stock Exchange pursuant to an initial public offering of Equity Shares of the Company.

Subject to applicable laws, statutory and regulatory approvals and these Articles, any shareholder holds, whether directly or indirectly, an aggregate interest (including any beneficial interest) in the Equity Shares which is equivalent to, or more than 10 % of the issued share capital of the Company, shall have the right by notice in writing to nominate 1 (one) director to the Board till the time the such investor holds, more than 10 % of the issued share capital of the Company on fully diluted basis. | Investor's right to appoint a director |
| 102. | | The directors shall not be required to hold any qualification shares in the Company. | |
| 88A (1) | | The Board of Directors shall appoint the Chairperson of the Company.

The same individual may, at the same time, be appointed as the Chairperson as well as the Managing Director of the Company. | Chairperson and Managing Director |
| | (2) | The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. | Directors not liable to retire by rotation |
| 103. | (1) | The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. | Remuneration of Directors |

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| (2) | The remuneration payable to the directors, including manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting. | Remuneration to require members' consent |
| (3) | In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
(b) in connection with the business of the Company. | Travelling and other expenses |
| (4) | Subject to the provisions of these Articles and the provisions of the Act, the Board may, decide to pay a Director out of funds of the Company by way of sitting fees, within the ceiling prescribed under the Act, a sum to be determined by the Board for each meeting of the Board or any committee or sub-committee thereof attended by him in addition to his traveling, boarding and lodging and other expenses incurred. | Sitting Fees |

APPOINTMENT AND REMUNERATION OF DIRECTORS

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| 104. | Subject to the provisions of the Act and these Articles, the Board of Directors, may from time to time, appoint one or more of the Directors to be Managing Director or Managing Directors or other whole-time Director(s) of the Company, for a term not exceeding five years at a time and may, from time to time, (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places and the remuneration of Managing or Whole-Time Director(s) by way of salary and commission shall be in accordance with the relevant provisions of the Act. | Appointment |
| 105. | Subject to the provisions of the Act, the Board shall appoint Independent Directors, who shall have appropriate experience and qualifications to hold a position of this nature on the Board. | Independent Director |
| 106. | Subject to the provisions of section 196, 197 and 188 read with Schedule V to the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in general meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination shall be divided among the Directors equally or if so determined paid on a monthly basis. | Remuneration |
| 107. | Subject to the provisions of these Articles, and the provisions of the Act, if any Director, being willing, shall be called upon to perform extra service or to make any special exertions in going or residing away from the place of his normal residence for any of the purposes of the Company or has given any special attendance for any business of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director | Payment for Extra Service |
| 108. | All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise | Execution of negotiable instruments |

executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

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| 109. | (1) | 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. | Appointment of additional directors |
| | (2) | Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act. | Duration of office of additional director |
| 110. | (1) | The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. | Appointment of alternate director |
| | (2) | 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 | Duration of office of alternate director |
| | (3) | If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director. | Re-appointment provisions applicable to Original Director |
| 111. | (1) | 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. | Appointment of director to fill a casual vacancy |
| | (2) | The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated. | Duration of office of Director appointed to fill casual vacancy |

Powers of Board

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| 112. | The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the Memorandum or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other Applicable Laws and of the Memorandum and these Articles and to any regulations, not being inconsistent with the Memorandum and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. | General powers of the Company vested in Board |
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Proceedings of the Board

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| 113. | (1) | The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. | When meeting to be convened |
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Provided that the gap between the two Board meetings shall not be more than 120 days or such other days as may be provided under applicable law.

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| | (2) | The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. | Who may summon Board meeting |
| | (3) | The quorum for a Board meeting shall be as provided in the Act. | Quorum for Board meetings |
| | (4) | The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under Applicable Laws. | Participation at Board meetings |
| | (5) | At least 7 (seven) Days' written notice shall be given in writing to every Director by hand delivery or by speed-post or by registered post or by facsimile or by email or by any other electronic means, either (i) in writing, or (ii) by fax, e-mail or other approved electronic communication, receipt of which shall be confirmed in writing as soon as is reasonably practicable, to each Director, setting out the agenda for the meeting in reasonable detail and attaching the relevant papers to be discussed at the meeting and all available data and information relating to matters to be discussed at the meeting except as otherwise agreed in writing by all the Directors.

Provided that a meeting of the Board may be called at a shorter notice in accordance with the provisions of the Applicable Laws. | Notice of Board meetings |
| 114. | (1) | Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. | Questions at Board meeting how decided |
| | (2) | In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. | Casting vote of Chairperson at Board meeting |
| 115. | | The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose. | Directors not to act when number falls below minimum |
| 116. | (1) | The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a chairperson of its meetings and determine the period for which he is to hold office. | Who to preside at meetings of the Board |
| | (2) | If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting | Directors to elect a Chairperson |
| 117. | (1) | The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit. | Delegation of powers |
| | (2) | Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. | Committee to conform to Board regulations |
| | (3) | The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio-visual | Participation at Committee meetings |

means or teleconferencing, as may be prescribed by the Rules or permitted under Applicable Laws.

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| 118. | (1) A Committee may elect a chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee. | Chairperson of Committee |
| | (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. | Who to preside at meetings of Committee |
| 119. | (1) A Committee may meet and adjourn as it thinks fit. | Committee to meet |
| | (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present. | Questions at Committee meeting how decided |
| | (3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote. | Casting vote of Chairperson at Committee meeting |
| 120. | All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. | Acts of Board or Committee valid notwithstanding defect of appointment |
| 121. | Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held. | Passing of resolution by Circulation |

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

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| 122. | (a) Subject to the provisions of the Act, - | Chief Executive Officer, etc. |
| | A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; and the Board may appoint one or more chief executive officers for its multiple businesses. | |
| | (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. | Director may be chief executive officer, etc. |

Registers

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| 123. | The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. | Statutory registers |
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The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

124. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. Foreign register
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

Dividends and Reserve

125. The Company in general meeting may declare dividends. No dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend. Company in general meeting may declare dividends
126. 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. Interim dividends
- 112A Subject to the provisions of the Act, the Board may from time to time pay to the members such special dividends of such amount on such class of shares and at such times as it may think fit. Special dividends
127. (1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. Dividends only to be paid out of profits
- (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. Carry forward of Profits
128. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. Division of profits
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. Payments in advance
- (3) 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 to be apportioned

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| 129. | (1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. | No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom |
| | (2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares. | Retention of dividends |
| 130. | (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. | Dividend how remitted |
| | (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. | Instrument of Payment |
| | (3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made. | Discharge to Company |
| 131. | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. | Receipt of one holder sufficient |
| 132. | No dividend shall bear interest against the Company. | No interest on dividends |
| 133. | The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. | Waiver of dividends |

Unpaid or Unclaimed Dividend

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|------|---|--------------------------------|
| 134. | (1) 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, to a special account to be opened by the Company in that behalf in any scheduled bank subject to the applicable provisions of the Act and the Rules made thereunder.

The company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the unpaid dividend account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed. | Transfer of unclaimed dividend |
|------|---|--------------------------------|

- (2) 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 Investor Education and Protection Fund established under section 125 of the Act. Any person claiming to be entitled to an amount may apply to the authority constituted by the Central Government for the payment of the money claimed.

Transfer to IEPF
Account

All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and Rules.

- (3) No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by Applicable Laws.

Forfeiture of unclaimed
dividend

Accounts

135. (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.
- (2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by Applicable Laws or authorized by the Board.

Inspection by Directors

Restriction on
inspection by members

Accounts to be audited

Auditors shall be appointed and their rights and duties regulated in accordance with Section 139 to 147 of the Act.

Audit

Winding up

136. Subject to the applicable provisions of the Act and the Rules made thereunder –
- (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.

Winding up of
Company

Indemnity and Insurance

137. (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. Directors and officers right to indemnity
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- (c) 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. Insurance

Secrecy

138. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

General Power

139. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. General power and Requirement of compliance with the provisions of SEBI LODR Regulations (as amended) and the rules and regulations made by SEBI from time to time.
- The Company shall from time to time comply with all the provisions as stipulated under the SEBI LODR and the rules and the regulation made by SEBI. Any provisions of these Articles which is contrary to the provisions of the SEBI LODR Regulations or rules and regulations made by SEBI or the provision of the Act or of the Secretarial Standards issued by the Institute of Company Secretaries of India (“**Secretarial Standards**”), the said provision shall be deemed to be amended to the extent necessary to make it compliant with the said SEBI LODR Regulations or the rules and regulations of the SEBI, the Secretarial Standards or the Act. In case of any inconsistency between the provisions of these Articles, SEBI LODR Regulations, SEBI rules and regulations and the Act, the provision/compliance which is/are more onerous shall be applicable

in such case, and these Articles shall be deemed amended to such extent. .

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days and will also be available online at www.gemaromatics.com/material-contract-and-documents/ from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts

1. Offer Agreement dated December 28, 2024 entered between our Company, the Selling Shareholders and the BRLM.
2. Registrar Agreement dated December 26, 2024, entered between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Registrar to the Offer, the BRLM, the Selling Shareholders, the Escrow Collection Bank(s), the Bankers to the Offer.
4. Share Escrow Agreement dated [●] entered into amongst our Company, the Selling Shareholders and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLM, and the Syndicate Members.
6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and Underwriters.
7. Monitoring Agency Agreement dated [●] amongst our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of incorporation dated October 3, 1997 under the name of 'Gem Aromatics Private Limited'.
3. Fresh certificate of incorporation dated August 17, 2023 issued upon conversion of our Company to a public limited company under the name of 'Gem Aromatics Limited'.
4. Resolution of our Board dated December 16, 2024 authorizing the Offer and other related matters.
5. Resolution of the Shareholders dated December 17, 2024 authorizing the Offer, including authorizing the Fresh Issue and other related matters.
6. Resolution of the Board dated December 16, 2024, taking on record the approval for the Offer for Sale by the Selling Shareholders.
7. Resolution of the Board of Director dated December 28, 2024 approving the Draft Red Herring Prospectus.

8. Copies of annual reports of our Company for the past three Fiscals.
9. Examination report on the Restated Consolidated Financial Information dated December 16, 2024 of our Statutory Auditors, included in this Draft Red Herring Prospectus.
10. The statement of possible special tax benefits available to our Company and its Shareholders dated December 25, 2024 from the Statutory Auditors.
11. The statement of possible special tax benefits available to our Material Subsidiary, Gem Aromatics LLC, dated December 24, 2024 from KNAV Advisory Inc.
12. Consent dated December 28, 2024 from our Statutory Auditors for inclusion of their name 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 December 16, 2024 on our Restated Consolidated Financial Information; and (ii) the statement of special tax benefits available to our Company and its shareholders dated December 25, 2024 included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
13. Consent dated December 26, 2024 from, KNAV Advisory Inc, to include Section 26(5) of the Companies Act, 2013, and as an 'expert' as required under Section 2(38) of the Companies Act in respect of the statement of special tax benefits dated December 24, 2024 available to our Material Subsidiary, Gem Aromatics LLC, under the applicable taxation laws of the United States of America, included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus
14. Consent dated December 23, 2024 from Anjaria Enviro Tech Private Limited, Independent Chartered Engineer to include their name as required under section 26(5) of the Companies Act read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an 'expert' as defined under Section 2(38) of the Companies Act to the extent and in their capacity as Independent Chartered Engineer in respect of the certificate dated December 23, 2024 issued by them in connection with inter alia the installed capacity, actual production, capacity utilisation and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.
15. Consent dated December 2, 2024 from Dilip Bharadiya & Associates, practicing company secretary for inclusion of their name as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as practicing company secretary and in respect of their certificate dated December 2, 2024 issued by them in connection with *inter alia* the share capital buildup and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.
16. Consents of the Directors, BRLM, Statutory Auditors, Syndicate Members, Legal Counsel to our Company, Legal Counsel to the Offer, Registrar to the Offer, the Bankers to our Company, Chief Financial Officer, Company Secretary and Compliance Officer, practicing Company Secretary and Independent Chartered Engineer as referred to in their specific capacities.
17. Consent letters and authorisations from each of the Selling Shareholders, authorising their participation in the Offer.
18. Industry report dated titled '*Independent Market Report for Gem Aromatics*' dated December 26, 2024, prepared by F&S commissioned and paid for by our Company, which is available on the website of our Company at www.gemaromatics.com/industry-reports/.
19. Consent letter dated December 26, 2024, from F&S to include contents or any part thereof from their report titled '*Independent Market Report for Gem Aromatics*' dated December 26, 2024 in this Draft Red Herring Prospectus.
20. Tripartite Agreement between NSDL, our Company and Registrar to the Offer dated August 18, 2021.
21. Tripartite Agreement between CDSL, our Company and Registrar to the Offer dated March 29, 2019.
22. Share Purchase Agreement between our Company, Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul

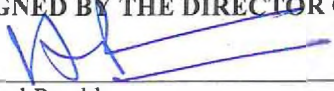
Parekh, Vipul Parekh (HUF) and dōTERRA Enterprises, Sàrl dated April 11, 2019.

23. Shareholders' Agreement between our Company, Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, Vipul Parekh (HUF) and dōTERRA Enterprises, Sàrl dated April 11, 2019 and first amendment to Shareholders' Agreement dated December 12, 2023 between our Company, Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, Parekh Family Trust and dōTERRA Enterprises, Sàrl and the second amendment to the shareholders agreement dated December 25, 2024, 2024 executed among Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, dōTERRA Enterprises, Sàrl, Parekh Family Trust and our Company.
24. Inter-se Shareholder Agreement dated December 25, 2024 entered into between Vipul Parekh, Kaksha Vipul Parekh, Yash Vipul Parekh, Parekh Family Trust and dōTERRA Enterprises, Sàrl.
25. Supply Agreement between our Company and dōTERRA Global Limited (*formerly known as dōTERRA GH Ireland Limited*) dated April 11, 2019 and amendment to the Supply Agreement dated November 4, 2023, between our Company and dōTERRA Global Limited (*formerly known as dōTERRA GH Ireland Limited*).
26. Certificate dated December 28, 2024 issued by the Statutory Auditors certifying the key performance indicators of our Company.
27. Resolution dated December 28, 2024 passed by the Audit Committee approving the key performance indicators for disclosure.
28. Due diligence certificate dated December 28, 2024 addressed to SEBI from the BRLM.
29. SEBI final observations letter no. [●] dated [●].
30. In principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.

DECLARATIONS

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY




Vipul Parekh
Chairman and Whole-Time Director

Place: **MUMBAI, MAHARASHTRA**
Date: **DECEMBER 28, 2024**

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



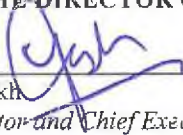
Kaksha Vipul Parekh
Whole-Time Director and Chief Financial Officer

Place: **MUMBAI, MAHARASHTRA**
Date: **DECEMBER 28, 2024**

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY




Yash Vipul Parekh
Managing Director and Chief Executive Officer

Place: **MUMBAI, MAHARASHTRA**
Date: **DECEMBER 28, 2024**

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY


Ajay Sahai
Independent Director

Place: **NEW DELHI**
Date: **DECEMBER 28, 2024**

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Shrenik Kishorbhai Vora
Independent Director

Place: **MUMBAI, MAHARASHTRA**
Date: **DECEMBER 28, 2024**

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vishakha H. Bhagvat
Vishakha Hari Bhagvat
Independent Director

Place: **MUMBAI, MAHARASHTRA**
Date: **DECEMBER 28, 2024**

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Parag Ratnakar Gogate

Independent Director

Place:

MUMBAI, MAHARASHTRA

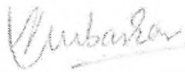
Date:

DECEMBER 28, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY



Shubhangi B Umbarkar
Independent Director

Place: PUNE, MAHARASHTRA
Date: DECEMBER 28, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY




Kaksha Vipul Parekh
Whole-Time Director and Chief Financial Officer

Place: **MUMBAI, MAHARASHTRA**
Date: **DECEMBER 28, 2024**

DECLARATION BY SELLING SHAREHOLDER

I, Vipul Parekh, in my capacity as a Selling Shareholder, certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or specifically in relation to myself as a Selling Shareholder and the portion of Equity Shares offered by me in the Offer for Sale are true and correct. I assume no responsibility for any other statements, disclosures, and undertakings, including any statements, disclosures and undertakings made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.



Vipul Parekh
Promoter Selling Shareholder

Place: *MUMBAI, MAHARASHTRA*
Date: *DECEMBER 28, 2024*

DECLARATION BY SELLING SHAREHOLDER

I, Kaksha Vipul Parekh, in my capacity as a Selling Shareholder, certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or specifically in relation to myself as a Selling Shareholder and the portion of Equity Shares offered by me in the Offer for Sale are true and correct. I assume no responsibility for any other statements, disclosures, and undertakings, including any statements, disclosures and undertakings made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

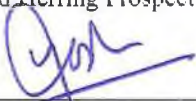


Kaksha Vipul Parekh
Promoter Selling Shareholder

Place: **MUMBAI, MAHARASHTRA**
Date: **DECEMBER 28, 2024**

DECLARATION BY SELLING SHAREHOLDER

I, Yash Vipul Parekh, in my capacity as a Selling Shareholder, certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or specifically in relation to myself as a Selling Shareholder and the portion of Equity Shares offered by me in the Offer for Sale are true and correct. I assume no responsibility for any other statements, disclosures, and undertakings, including any statements, disclosures and undertakings made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.



Yash Vipul Parekh
Promoter Selling Shareholder

Place: MUMBAI, MAHARASHTRA
Date: DECEMBER 28, 2024

DECLARATION BY SELLING SHAREHOLDER

We, dōTERRA Enterprises, Sàrl, in our capacity as an Investor Selling Shareholder, certify and confirm that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or specifically in relation to us as an Investor Selling Shareholder and the portion of Equity Shares offered by us in the Offer for Sale are true and correct. We assume no responsibility for any other statements, disclosures, and undertakings, including any statements, disclosures and undertakings made by, or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.



dōTERRA Enterprises, Sàrl
Investor Selling Shareholder

Place: **SALT LAKE CITY, UTAH**
Date: **DECEMBER 28, 2024**