

Dr. P. J. Gandhi

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Ph D, M Tech (NITs), MBA (IIMK), C Eng (I), MCE (I), MIETE (Elect.), MIIChE, M Val (IP),
PG in Computers & Infoⁿ Tech. (Systems) MBA, AMCSI, B E – AMIE (I), M E (Mech), FIV,
PGDM (Mktg), PGDM (HR), PGDEd (V&S), PG Dip T&D, MIMA, MFACT, MRICS, LL B (Special)
Chartered Engineer, Govt. Approved Valuer, Arbitrator & Conciliator (FICCI)

Tel / Fax # 0261 – 23 22 976

CHARTERED ENGINEER'S CERTIFICATE

CERTIFICATE FROM INDEPENDENT CHARTERED ENGINEER FOR CAPACITIES & UTILIZATIONS

Date: May 16, 2022

To,

The Board of Directors
Aether Industries Limited
Plot No. 8203,
GIDC Sachin,
Surat GJ 394230 IN

HDFC Bank Limited,
Investment Banking Group,
Unit No. 401 & 402,
4th Floor, Tower B, Peninsula Business Park,
Lower Parel, Mumbai 400 013
Maharashtra, India

Kotak Mahindra Capital Company Limited
27 BKC, 1st Floor, Plot No. C - 27,
'G' Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
Maharashtra, India

(Collectively referred to as the “**Book Running Lead Managers**” or the “**BRLMs**”)

Sub: Proposed initial public offering of equity shares (“Equity Shares”) of Aether Industries Limited (the “Company” and such offer the “Offer”)

Dear Sir/Madam,

I, the undersigned, confirm that I am duly registered as a chartered engineer with the Institution of Engineers (India) bearing registration number AM089164-1 (Certificate of registration enclosed herewith as **Annexure I**), and that I am authorized and competent to issue this certificate. Further, I confirm that the aforesaid registration is valid as on date hereof, and as such, I am duly qualified to issue this certification.

Pursuant to the engagement letter dated 01.10.2021, I have been engaged by the Company to carry out an independent verification for certifying certain information identified in **Annexure II, III and IV** hereto, to be included in the Materials (as defined below).

Based on the information, explanations and representations provided to me by the Company along with the basis of working and assumptions followed, wherever applicable, examination and verification of the manufacturing plant, physical inspection of the equipment and based on my verification of the relevant records and documents of the Company, I, hereby certify the following as true, fair, complete, accurate and not misleading:

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Dr. P. J. GANDHI
Dr. P. J. Gandhi
Chartered Engineer &
Govt Approved Valuer

Details of the Company's aggregate installed production capacities, and the capacity utilization of the Company's production facilities, during the relevant periods, are enclosed as **Annexure II** and **Annexure III** hereto;

- the products manufactured by the Company in each of the production facilities are enclosed as **Annexure II**; and
- Description of the procedure pertaining to installed production capacity certificate issued to the Company enclosed as **Annexure IV** hereto.

The information relating to the estimated annual installed production capacities and the capacity utilization of the manufacturing units included in the materials (as defined below) is based on a number of assumptions and estimates of the management, including expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product, unscheduled breakdowns, mould changeover, as well as expected operational efficiencies. In particular, the following assumptions have been made in the calculation of the estimated annual installed production capacities of the Company's manufacturing units, and are certified by me:

- Past experience of the management to manufacture the products
- Available orders on hand for the products
- Raw material consumption and the availability of raw materials to estimate the production of each product
- The product mix that the Company can make in a given stream or given plant

It may be noted that the installed production capacity is worked out on the basis of three (3) shifts each being eight (8) hours long and the sum total of various different products for which the unit is capable of manufacturing and is already manufacturing.

I represent that my execution, delivery and performance of this certificate has been duly authorised by all necessary actions (corporate or otherwise).

I further confirm that I am an independent person with no direct or indirect interest in the Company except for provision of professional services in the ordinary course of my profession. Further, I am not in any way connected with or related to the Company, its promoters, promoter group, its key managerial personnel, its directors, its group companies or directors of its group companies, the BRLMs or their affiliates.

I hereby confirm that the information in this certificate and the annexures, including any extracts thereof, may be reproduced in the red herring prospectus ("**RHP**") and the prospectus of the Company ("**Prospectus**") to be filed with the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**"), SEBI, the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"), as applicable or any other document(s) to be issued, published or filed in connection with the Offer (such materials, together with the RHP and the Prospectus, the "**Materials**").

I agree to keep the information regarding the Offer strictly confidential.

I consent to be named as an "expert" as defined under the provisions of the Companies Act, 2013, as amended and the rules framed thereunder, in the Materials. Further, I confirm that I am not, and have not been, engaged or interested in the formation or promotion of the management of the Company. The following details with respect to me may be disclosed in the Materials:

Name	Dr. Pankaj Jayantilal Gandhi
Address	3/2444 – B, Tadvadi Sheri, Salabatpura, Surat – 395002, Gujarat, India
Telephone Number	+91-261-6602709
Fax Number	-
E-mail	pnj71@gmail.com
Website	-
Membership No.	AM089164-1



Dr. P. J. GANDHI
Pankaj J. Gandhi
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I confirm that the Book Running Lead Managers and the legal counsels may rely on the contents of this certificate in connection with the Offer. Further, I undertake to immediately inform the Company and the Book Running Lead Managers in writing of any changes or qualifications or any developments in respect of the matters covered in this certificate until the date when the Equity Shares issued pursuant to the Offer commence trading on the Stock Exchanges. In the absence of any such written communication from me/us, the above information contained in the Materials and certified herein should be taken as true, correct, accurate and updated until the date when the Equity Shares issued pursuant to the Offer commence trading on the Stock Exchanges.

Further, I also give my consent to include this certificate as part of the '*Material Contracts and Documents for Inspection*' in the Offer Documents, thereby making it available to the public for inspection.

I hereby authorize you to deliver this letter to SEBI(including for any inspections), the Stock Exchanges, the RoC and any other governmental or regulatory authority as may be required.

All capitalized terms not defined herein would have the same meaning as attributed to it in the RHP.

Yours faithfully

Thanking you.

Yours faithfully

Dr. Pankaj Jayantilal Gandhi

Chartered Engineer
Membership No. AM089164-1
Place: SURAT
Date: May 16, 2022



Dr. P. J. Gandhi
Chartered Engineer
Govt. Approved Valuer
AM 089164 / 1; F 15927

ANNEXURE I

010255

The Institution of Engineers (India)

AM089164-1

By virtue of Professional training, experience and Corporate Membership of this Institution

PANKAJ JAYANTILAL GANDHI

is hereby authorised to use the style and title of

Chartered Engineer [India]

Dated this **Eighteenth** day of **September** 2002

Secretary and Director General

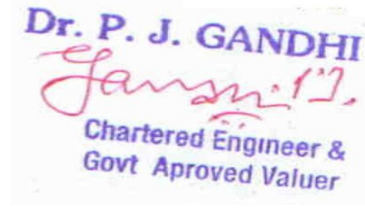
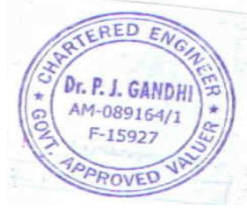


ANNEXURE II

Capacity and Utilization

The following table sets forth details of the Company's aggregate installed production capacity, as per product groups as on December 31, 2021:

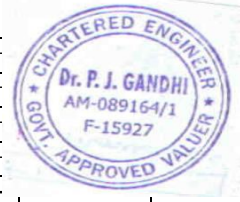
S. No.	Manufacturing Unit location	Area covered by the facility	Products	Installed Production Capacity per annum (MT)
1.	Plot No. 8203, Road No. 8, GIDC Industrial Estate, Sachin, Surat – 394230, Gujarat, India	2,570.98 Sq. Mtrs.	Speciality Chemicals and Intermediates	6,096
2.	Plot No. 8203, Road No. 8, GIDC Industrial Estate, Sachin, Surat – 394230, Gujarat, India	102 Sq. Mtrs.	Solvent Recovery	13,140



ANNEXURE III

The following table sets forth the average capacity utilization of the company's products at the Company's manufacturing facilities for the specified periods:

Plant	As of, and for the period ended, March 31, 2021			As of, and for the period ended, March 31, 2020			As of, and for the period ended, March 31, 2019		
	Installed Capacity(1)	Actual Production (2)	Utilization (3)	Installed Capacity(1)	Actual Production (2)	Utilization (3)	Installed Capacity(1)	Actual Production (2)	Utilization (3)
	MT	MT	%	MT	MT	%	MT	MT	%
Intermediate Building - 01									
Stream 1	480.00	452.09	94.19	480.00	448.63	93.46	360.00	331.86	92.18
Stream 2	420.00	412.58	98.23	360.00	293.48	81.52	360.00	301.40	83.72
Stream 3	900.00	542.50	60.28	660.00	424.12	64.26	660.00	616.90	93.47
Stream 4	336.00	259.09	77.11	336.00	209.12	62.24	336.00	186.63	55.54
Stream 5	240.00	220.39	91.83	150.00	122.25	81.50	150.00	142.91	95.28
Stream 6 + 7	480.00	421.56	87.83	420.00	386.41	92.00	360.00	136.85	38.01
Stream 8	384.00	327.90	85.39	354.00	274.52	77.55	354.00	256.54	72.47
Stream 9	252.00	139.77	55.46	180.00	30.05	16.69	180.00	72.24	40.13
Stream 10	192.00	102.00	53.13	192.00	94.10	49.01	192.00	81.98	42.70
TOTAL (A)	3,684.00	2,877.88	78.12	3,132.00	2,282.68	72.88	2,952.00	2,127.31	72.06
Intermediate Building - 02									
Stream 1	576.00	422.17	73.29	576.00	197.10	68.44	-	-	-
Stream 2	420.00	251.80	59.95	420.00	81.20	38.67	-	-	-
TOTAL (B)	996.00	673.97	67.67	996.00	278.30	55.88	-	-	-
Intermediate Building - 03									
Stream 1	660.00	160.80	97.45	-	-	-	-	-	-
Stream 2	312.00	0.00	0.00	-	-	-	-	-	-
Stream 3	84.00	0.00	0.00	-	-	-	-	-	-
Stream 4	360.00	0.00	0.00	-	-	-	-	-	-
TOTAL (C)	1,416.00	160.80	45.42	-	-	-	-	-	-
Total Capacity (A+B+C)	6,096.00	3,712.65	73.75	4,128.00	2,560.98	70.55	2,952.00	2,127.31	72.06
Solvent Recovery Plant (SRP Plant)⁽⁶⁾	13,140.00	1,598.52	72.99	-	-	-	-	-	-



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Plant	As of, and for the period ended, December 31, 2021			As of, and for the period ended, December 31, 2020		
	Installed Capacity(1)	Actual Production(2)	Utilization(3)	Installed Capacity(1)	Actual Production(2)	Utilization(3)
	MT	MT	%	MT	MT	%
Intermediate Building - 01						
Stream 1	480.00	354.84	98.57	480.00	351.55	97.65
Stream 2	420.00	260.01	82.54	420.00	301.50	95.71
Stream 3	900.00	655.36	97.09	900.00	400.49	59.33
Stream 4	336.00	219.53	87.11	336.00	222.00	88.10
Stream 5	240.00	175.35	97.41	240.00	139.38	77.44
Stream 6 + 7	480.00	243.13	67.54	480.00	315.61	87.67
Stream 8	384.00	274.34	95.26	384.00	226.48	78.64
Stream 9	252.00	136.75	72.35	252.00	106.37	56.28
Stream 10	192.00	73.68	51.17	192.00	72.12	50.08
TOTAL (A)	3,684.00	2,392.99	86.61	3,684.00	2,135.50	77.29
Intermediate Building - 02						
Stream 1	576.00	364.26	84.32	576.00	355.53	82.30
Stream 2	420.00	188.20	59.75	420.00	193.00	61.27
TOTAL (B)	996.00	552.46	73.96	996.00	548.53	73.43
Intermediate Building - 03						
Stream 1	660.00	487.00	98.38	-	-	-
Stream 2	312.00	106.41	45.48	-	-	-
Stream 3	84.00	3.09	4.90	-	-	-
Stream 4	360.00	-	0.00	-	-	-
TOTAL (C)	1,416.00	596.50	56.17	-	-	-
Total Capacity (A+B+C)	6,096.00	3,541.95	77.47	4,680.00	2,684.03	76.47
Solvent Recovery Plant (SRP Plant)⁽⁶⁾	13,140.00	7,651.27	77.64	-	-	-

Notes:

(1) The information relating to the installed capacity as of the dates included above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of speciality chemicals industry after examining the calculations and explanations provided by the Company and the reactor capacities and other ancillary equipment installed at the facilities. The assumptions are also based on the past experience of the Management of Company to manufacture the products. It also depends on the Product Mix that the Company has used to manufacture the various products in a stream in a plant. The assumption is also based on the three (3) shifts that the Company is running for eight (8) hours a day. The assumptions and estimates taken into account include the following: (i) Number of working days in a fiscal year - 365; (ii) Number days in a month - 30; (iii) Number of shifts in a day - 3; (iv) Number of hours - 8 and (v) Schedule preventive maintenance days - 8. The installed capacity as of December 31, 2020 and 2021 have been provided on an unannualized basis.

(2) The information relating to the actual production as of the dates included above are based on the examination of the SAP/ internal production records provided by the Company, explanations provided by the Company, the period during which the manufacturing facilities operate in a fiscal year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. The actual production for the nine months ended December 31, 2020 and 2021 have been provided on an unannualized basis.

(3) Capacity utilization has been calculated on the basis of actual production during the relevant fiscal year/ period divided by the aggregate installed capacity of relevant manufacturing facilities as of at the end of the relevant fiscal year/ period. In the case of capacity utilization for the nine months ended December 31, 2021 and December 31, 2020, the capacity utilization has been calculated by dividing the actual production for the period by 75% of the annualized installed.

(4) Intermediate Building -02 started production from October 1, 2019 and had 6 Months of stabilisation and production during FY 20, accordingly, in the case of capacity utilization has been calculated by dividing the actual production for the period by 50% of the annualized installed.

(5) Intermediate Building -03 started production from January 1, 2021 and had 3 Months of stabilisation and production during FY 21, accordingly, in the case of capacity utilization has been calculated by dividing the actual production for the period by 25% of the annualized installed.

(6) SRP Pant, started production from February 1, 2021 and had 2 Months of stabilisation and production during FY 21, accordingly, in the case of capacity utilization has been calculated by dividing the actual production for the period by 16.67% of the annualized installed capacity.

(7) Streams which are mentioned in the above table of capacity utilizations refers to the various production lines which are active in each Plant Building. In each stream, the Company is manufacturing different products to have a proper bifurcation on each production of each product. But each stream can also be aligned and with fewer modifications, for manufacturing of other products also which are in more demand and need more production.



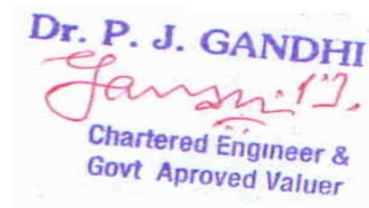
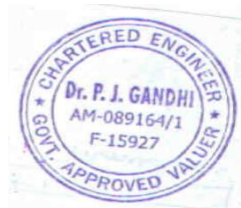
Proposed utilization of Capacities in FY 2022-23

S. No.	Manufacturing Unit location	Area covered by the facility	Products	Installed Production Capacity per annum (MT)	Proposed Production per annum (MT)	Proposed Capacity Utilisation
1.	Plot No. 8203, Road No. 8, GIDC Industrial Estate, Sachin, Surat – 394230, Gujarat, India	2,570.98 Sq. Mtrs.	Speciality Chemicals and Intermediates	6,500	5,328.30	81.97%
2.	Plot No. 8203, Road No. 8, GIDC Industrial Estate, Sachin, Surat – 394230, Gujarat, India	102 Sq. Mtrs.	Solvent Recovery	13,140	13,140	100.00%
3.	Plot No. 8202/1, Road No. 8, GIDC Industrial Estate, Sachin, Surat – 394230, Gujarat, India	1,120 Sq. Mtrs.	Speciality Chemicals and Intermediates	3,132	535.00	41.00%

Notes:

(1) The Installed Capacity per annum for Plot No. 8203 is 6,096 MT per annum in the FY 2021 and is expected to be 6,096 MT per annum in FY 2022. The same will be increased by the Company to 6,500 MT per annum, by additional capex by installing required Plants, Machinerics and Equipment.

(2) The proposed production per annum at Plot 8202/1 shown in the above table is expected for 5 months in FY 2023, when the plant will be available to the Company after commissioning. Accordingly, the capacity utilization has been calculated by dividing the proposed production for the period by 41.67% of the annualized installed capacity.



ANNEXURE IV

DESCRIPTION OF THE PROCEDURE PERTAINING TO INSTALLED PRODUCTION CAPACITY CERTIFICATE ISSUED TO THE COMPANY ON MAY 16, 2022

The production capacity of a chemical plant is a fundamental measure of its economic potential, and an integral factor in the assessment of a chemical plant's value. Although capacity is a central concept in production planning and scheduling, operations management and chemical engineering.

The production capacities are measured by taking into account the below mentioned:

1. Actual Production done in a month
2. Actual time used for the cleaning of the Plant & Machinery along with equipment in a month
3. Actual time devoted for the primary packing of the chemicals manufactured
4. Actual wastage (if any) in the manufacture of the products
5. Actual sales done and the inventory in stock at the end of a month

Capacity is the maximum average throughput that satisfies the below mentioned constraints:

1. It takes into account the production restrictions imposed by the existing equipment, materials and labor;
2. It is sustainable for an extended and specified period of time;
3. It assures product quality requirements are met and
4. It does not exceed the safe operating limits of the facility

The production capacities of the Company for each stream in each plant is determined by the actual production done by the Company through the same.

The production is also based on the demand of each product which is manufactured by the Company.

In determining the Installed Capacity, we have taken into account the past records of the Production done by the Company for each of the Product in each stream at each Plant.

The same is also determined more accurately by taking into account the Purchase Orders on hand with the Company and current productions being done.

We have verified the production data vis a vis the sales data which are fed into the system for each product and determined the production capacities.

We have considered the shifts which are working at the Plant for the production, in determining the capacities.

Production Capacity is an important factor that needs to be calculated to determine equipment size, satisfy contractual requirements, aid supply chain management, benchmarking against the competitors and obtaining operating permits / licenses / approvals from various regulators / government / agencies. There is no single way to measure the capacity and there are numerous factors to be considered, many of which are unique to a specific process or facility.

Aether Industries Limited has developed its own technologies, chemistries and systems, by using which they have designed the Batches of production for all the products. In order to have the unique manufacturing methodology and systems, the steps involved in the production of all products are well defined and communicated to the manufacturing people. The production thus takes place as per the defined norms.

