IMPORTANT NOTICE
NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

THIS OFFERING OF THE SECURITIES DESCRIBED IN THE ATTACHED PLACEMENT DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER REGULATION 2(1)(SS) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").

IMPORTANT: This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please delete this e-mail from your system immediately. You must read the following before continuing. The following applies to the pre-numbered placement document of Aether Industries Limited (the "**Company**"), dated June 22, 2023, in relation to the proposed qualified institutions placement of equity shares of face value ₹10 each ("**Equity Shares**") by the Company filed with BSE Limited and National Stock Exchange of India Limited (the "**Stock Exchanges**") (such document, the " **Placement Document**") attached to this e-mail, and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached Placement Document. In accessing the Placement Document, you agree to be bound by the following terms and conditions, including any modifications to them, from time to time, each time you receive any information from us as a result of such access. The information in the Placement Document is subject to completion, revision, verification, amendment and change without notice. Neither HDFC Bank Limited and SBI Capital Markets Limited (together, the "**BRLMs**") nor any person who controls the BRLMs nor any of their respective affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Placement Document or their respective contents or otherwise arising in connection therewith. **You acknowledge that the Placement Document is intended for use by you only and you agree not to forward it to any other person, internal or external to your company, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person.**

INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PLACEMENT DOCUMENT INVOLVES RISKS AND YOU SHOULD NOT INVEST ANY FUNDS IN THE EQUITY SHARES, UNLESS YOU ARE PREPARED TO RISK LOSING ALL OR PART OF YOUR INVESTMENT. YOU ARE ADVISED TO CAREFULLY READ THE SECTION TITLED "RISK FACTORS" AS WELL AS INFORMATION CONTAINED ELSEWHERE IN THE ATTACHED PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (**THE** "**SECURITIES ACT**") OR ANY OTHER APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE EQUITY SHARES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN COMPLIANCE WITH, REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES OCCUR. FOR A DESCRIPTION OF THE SELLING RESTRICTIONS IN CERTAIN OTHER JURISDICTIONS, SEE "SELLING RESTRICTIONS" IN THE PLACEMENT DOCUMENT. THE EQUITY SHARES ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED IN "TRANSFER RESTRICTIONS" OF THE PLACEMENT DOCUMENT.

THE ATTACHED PRE-NUMBERED PLACEMENT DOCUMENT MAY NOT BE FORWARDED, DOWNLOADED, DELIVERED OR DISTRIBUTED, IN WHOLE OR IN PART, ELECTRONICALLY OR OTHERWISE TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON IN THE UNITED STATES OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE EQUITY SHARES DESCRIBED IN THE ATTACHED PLACEMENT DOCUMENT.

The Issue and the distribution of the Placement Document is being done in reliance on Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, each as amended ("**Companies Act**"). The Placement Document is personal to each prospective investor and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors, other than Eligible QIBs.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. YOU ARE REMINDED THAT YOU HAVE ACCESSED THE PLACEMENT DOCUMENT ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THE DOCUMENTS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED.

Confirmation of your Representation: You are accessing the attached Placement Document on the basis that you have confirmed your representation, agreement and acknowledgement to the effect that: (1) (i) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States (including its territories or possessions, any state of the United States and the District of Columbia) and to the extent that you purchase the securities described in the attached Placement Document, you will be doing so pursuant to Regulation S in "offshore transactions" (as defined in Regulation S); (2) the securities offered hereby have not been registered under the Securities Act; (3) that you consent to delivery of the attached Placement Document and any amendments or supplements thereto by electronic transmission; (4) you are the intended recipient of the attached Placement Document and are a "Qualified Institutional Buyer" as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not restricted from participating in the offering under the SEBI ICDR Regulations and other applicable laws including FEMA and not excluded pursuant to Regulations 179(2)(b) of the SEBI ICDR Regulations and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) undertake to comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, if any; (5) you are eligible to invest in India under applicable law, including the FEMA Non-Debt Rules, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India; (6) either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution; (7) you are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in the attached Placement Document), and will honour such obligations; (8) you agree and acknowledge that if you are allotted more than 5% of the equity shares in the Issue, the Company shall be required to disclose your name and the number of equity shares allotted to you to the Stock Exchanges, and they will make the same available on their website and you consent to such disclosures; and (9) that you consent to delivery of the attached Placement Document and any amendments or supplements thereto by electronic transmission.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the BRLMs to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute "directed selling efforts" (as defined in Regulation S) in the United States or elsewhere. You are reminded that the attached Placement Document has been delivered to you on the basis that you are a person into whose possession the attached Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Placement Document to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or invitation or solicitation in any place where offers, invitations or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and BRLMs or any affiliate of the BRLMs is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the BRLMs or such affiliate on behalf of the Company in such jurisdiction. Further, nothing in this electronic transmission constitutes an offer or an invitation or solicitation of an offer or an offer or invitation to the public under any applicable law, by or on behalf of either the

Company or the BRLMs to subscribe for or purchase any of the Equity Shares described in the attached Placement Document.

THE PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REGISTERED AS A PROSPECTUS OR A STATEMENT IN LIEU OF PROSPECTUS WITH ANY REGISTRAR OF COMPANIES IN INDIA AND IS NOT AND SHOULD NOT BE CONSTRUED AS AN OFFERING CIRCULAR, AN OFFERING MEMORANDUM, AN ADVERTISEMENT, AN OFFER OR AN OFFER DOCUMENT UNDER THE SEBI ICDR REGULATIONS OR ANY OTHER APPLICABLE LAW. FURTHER, NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OR AN INVITATION TO THE PUBLIC BY OR ON BEHALF OF THE COMPANY OR THE BRLMS TO SUBSCRIBE FOR OR PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN. THE PLACEMENT DOCUMENT SHALL BE FILED AS A PRIVATE PLACEMENT OFFER LETTER WITH THE STOCK EXCHANGES. THE PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REVIEWED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE RESERVE BANK OF INDIA, ANY REGISTRAR OF COMPANIES IN INDIA OR ANY STOCK EXCHANGE IN INDIA. THE PLACEMENT DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS AN INVITATION, OFFER OR SALE OF ANY SECURITIES TO THE PUBLIC IN INDIA.

The Placement Document been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the BRLMs or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any of them accepts any liability or responsibility whatsoever in respect of any difference between the Placement Document distributed to you in electronic format and the hard copy version available to you on request from the BRLMs. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. The attached Placement Document is intended only for use by the addressee named herein and may contain legally privileged and / or confidential information. If you are not the intended recipient of the attached Placement Document, you are hereby notified that any dissemination, distribution or copying of the attached Placement Document is strictly prohibited. If you have received the attached Placement Document in error, please immediately notify the sender or the BRLMs by reply email and destroy the email received and any printouts of it.

You are reminded that no representation or warranty, expressed or implied, is made or given by or on behalf of the BRLMs, nor any person who controls them or any director, officer, employee or agent of them, or affiliate or associate of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this document and such persons do not accept responsibility or liability for any such information or opinions.

Actions That You May Not Take: You should not reply by e-mail to this document, and you may not purchase any of the Equity Shares described in the attached pre-numbered Placement Document by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person.

THE PLACEMENT DOCUMENT MAY NOT BE DOWNLOADED, DISTRIBUTED OR DELIVER THE ATTACHED PLACEMENT DOCUMENT, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON AND MAY NOT REPRODUCE THE ATTACHED PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISSEMINATION, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.IF YOU ACCESS THE PLACEMENT DOCUMENT CONTRARY TO THE FOREGOING RESTRICTIONS, YOU WILL BE INELIGIBLE TO PURCHASE THE SECURITIES.

You are responsible for protecting against viruses and other destructive items. Your use of this e- mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Placement Document attached hereto.

IF YOU ARE NOT PERMITTED TO VIEW THE MATERIALS ON THIS WEBSITE OR ARE IN ANY DOUBT AS TO WHETHER YOU ARE PERMITTED TO VIEW THESE MATERIALS, PLEASE EXIT THIS WEBPAGE.

Placement Document
Subject to Completion
Not for Circulation and Strictly Confidential
Serial Number: ___

AETHER INDUSTRIES LIMITED

Aether Industries Limited ("**Company**" or "**Issuer**") was incorporated on January 23, 2013, at Surat, Gujarat, India, as a public limited company under the erstwhile Companies Act, 1956, and received the certificate for commencement of business from the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**") on March 18, 2013. For further details, please see the section entitled "*General Information*" on page 307.

Registered Office and Corporate Office: Plot No. 8203, GIDC Sachin, Surat – 394 230, Gujarat, India **|** **Telephone**: +91 261 660 3360
Contact Person: Chitrarth Rajan Parghi, Company Secretary and Compliance Officer | **Email**: compliance@aether.co.in | **Website**: www.aether.co.in
CIN: L24100GJ2013PLC073434

Our Company is issuing up to 8,012,820 equity shares of face value of ₹ 10 each (the "**Equity Shares**") at a price of ₹ 936.00 per Equity Share ("**Issue Price**"), including a premium of ₹ 926.00 per Equity Share, aggregating up to ₹ 7,500.00 million* (the "**Issue**"). For further details, see section entitled "*Summary of the Issue*" on page 39.
** Subject to Allotment of Equity Shares pursuant to the Issue.*

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT")

OUR COMPANY HAS PREPARED THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS (AS DEFINED HEREINAFTER) IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND SECTION 42 OF THE COMPANIES ACT, READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER AND THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBSs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, AS AMENDED, AND THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION ENTITLED "*RISK FACTORS*" ON PAGE 52 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND/OR THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on June 21, 2023, was ₹ 1,100.75 and ₹ 1,099.80 per Equity Share, respectively. Our Company has received the in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to this Issue, from BSE and NSE, each on June 19, 2023. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of the Preliminary Placement Document and this Placement Document, which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges. Our Company shall also make requisite filings with the RoC (as defined above), within the stipulated timeframe prescribed under the Companies Act (as defined above) and the PAS Rules (as defined above), as amended. This Placement Document has not been reviewed by Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Placement Document has not been and will not be filed as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and this Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to this Issue shall only be made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see section entitled "*Issue Procedure*" on page 265. The Preliminary Placement Document and this Placement Document relate to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. The distribution of the Preliminary Placement Document and this Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares offered in this Issue have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are 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 ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales are made. See sections entitled *"Selling Restrictions"* on page 282 for information about eligible offerees for this Issue and *"Purchaser Representations and Transfer Restrictions"* on page 292 for information about transfer restrictions that apply to the Equity Shares sold in this Issue.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the website of the Book Running Lead Managers (as defined hereinafter) or any of its respective affiliates does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Placement Document is dated June 22, 2023.

BOOK RUNNING LEAD MANAGERS	
HDFC BANK LIMITED	**SBI CAPITAL MARKETS LIMITED**
HDFC BANK We understand your world	SBICAPS Complete Investment Banking Solutions

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company, our Subsidiary and the Equity Shares, which is material in the context of this Issue. The statements contained in this Placement Document relating to our Company, our Subsidiary and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company, our Subsidiary and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company and our Subsidiary. There are no other facts in relation to our Company, our Subsidiary and the Equity Shares, the omission of which would, in the context of this Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company, our Subsidiary nor the BRLMs have any obligation to update such information to a later date.

HDFC Bank Limited and SBI Capital Markets Limited (the "**Book Running Lead Managers**", or the "**BRLMs**") has made reasonable enquiries but has not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs and/or any of their shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiary and the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on either the BRLMs or on any of their shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, and the merits and risks involved in investing in the Equity Shares issued pursuant to this Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the BRLMs. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including SEBI, the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in this Issue are being offered and sold only outside the United States in *"offshore transactions"*, as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, subscribers and purchasers of the Equity Shares will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in the sections entitled "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 5, 282, and 292, respectively, of this Placement Document.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the BRLMs or their representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Placement Document or any documents referred to in this Placement Document. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Placement Document and this Issue of Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the BRLMs that would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in this Issue in certain jurisdictions, see section entitled "*Selling Restrictions*" on page 282.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiary and the Equity Shares and the terms of this Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, neither our Company nor the BRLMs are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities including the Equity Shares. Each investor, purchaser, offeree or subscriber of the Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document does not purport to contain all the information that any Eligible QIB may require. This Placement Document contains summaries of certain terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents. Further, this Placement Document has been prepared for information purposes in relation to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

This Placement Document contains summaries of terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section entitled *"Risk Factors"* on page 52.

The information on our Company's website, www.aether.co.in, or any website directly or indirectly linked to the website of our Company or on the website of the BRLMs or any of their affiliates, does not constitute nor form part of this Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

Any information about our Company available on the websites of the SEBI, Stock Exchanges, our Company or the BRLMs, other than this Placement Document, does not constitute a part of this Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the prospective investors in this Issue. By bidding for and / or subscribing to any of the Equity Shares in this Issue, you are deemed to have represented, warranted, acknowledged and agreements set forth in the sections entitled "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 3, 282 and 292, respectively, and to have represented, warranted, acknowledged and agreed with us and the BRLMs as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to this Issue has not been made based on any information relating to our Company which is not set forth in this Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (as defined hereinafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with this Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable laws, including the RBI and FEMA Rules (as defined hereinafter), and any notifications, circulars or clarifications issued thereunder and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- You are eligible to invest in and hold the Equity Shares of our Company in accordance with the consolidated FDI Policy (as defined hereinafter), and the related amendments to the FEMA Rules, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory or statutory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not registered as an FVCI;

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- You will provide the information as required under the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of this Issue;

- If you are Allotted Equity Shares pursuant to this Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges (additional restrictions apply if you are within certain other jurisdictions), please see the section entitled "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions* on pages 3, 282 and 292 respectively;

- You are aware that the Preliminary Placement Document and this Placement Document have not been and will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any member of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and are intended only for use by Eligible QIBs;

- The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges and the Preliminary Placement Document and this Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in this Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- You are aware that, our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. The BRLMs or any of their shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not, in any way, acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and this Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to this Issue has not been made on the basis of any information, which is not set forth in this Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to this Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable laws, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act and the rules made thereunder;

- You understand that the Equity Shares issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

- All statements other than statements of historical facts included in this Placement Document, including, without limitation, those regarding us or our financial position, business strategy, development plans and objectives of management for future operations of our business, are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Neither our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than Eligible QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that if you are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Placement Document and have read it in its entirety, including in particular, the section entitled "*Risk Factors*" on page 52;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of this Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of this Issue, based solely on and in reliance of the information contained in this Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in this Issue;

- Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares);

- You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLMs or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to this Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company or the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents, associates or affiliates for all or part of any such loss or losses that may be suffered in connection with this Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment and you are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions;

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;

- You are not a ‘promoter’ of our Company as defined under the SEBI ICDR Regulations, and are not a person related to our Promoter, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent our Promoters or members of our Promoter Group (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders’ agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender but not in the capacity of a shareholder, the acquisition of which shall not deem you to be a Promoter or a person related to any of our Promoters;

- You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to this Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined herein) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIBs; and

  (b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchange;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to this Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any person acting on its behalf or any of the counsel or advisors to this Issue has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person, and the BRLMs or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLMs and their affiliates will not be liable for your decision to accept an invitation to participate in this Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLMs or any of their shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 282, you understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Purchaser Representations and Transfer Restrictions*" on page 292, and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 282 and 292, respectively;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

- You are outside the United States, and you are subscribing for the Equity Shares in an "*offshore transaction*" as defined in and in compliance with Regulation S, and are not our Company's or the BRLMs' affiliate or a person acting on behalf of such an affiliate;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

- You agree that any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Ahmedabad, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in this Issue;

- You agree to indemnify and hold our Company, the BRLMs and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives 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 the foregoing representations, warranties, acknowledgements and undertakings made by you in this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that the Preliminary Placement Document and this Placement Document do not confer upon or provide you with any right of renunciation of the Equity Shares offered through this Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLMs;

- You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate;

- Our Company, the BRLMs, their respective affiliates, associates, directors, officers, counsels, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs; and

OFF-SHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the BRLMs, which is registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs, and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. The above-mentioned Category I FPIs may receive compensation from the purchasers of such instruments. Such P-Notes can be issued subject to compliance with the KYC norms and such other conditions as specified by SEBI from time to time, including payment of applicable regulatory fee. P-Notes have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, custodians, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in this Issue and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

Prospective Investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to the Stock Exchanges.

The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document;

2. warrant that our Equity Shares to be issued pursuant to this Issue, will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to, or in connection with, such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER DATA

Certain conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'bidder', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to this Issue, references to the "our Company", the "Company" or the "Issuer" are to Aether Industries Limited on a standalone basis and references to 'we', 'us', 'our' or the 'Group' are to Aether Industries Limited together with our Subsidiary, on a consolidated basis, unless otherwise specified.

Currency and units of presentation

In this Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, and States of the United States and the District of Columbia. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Figures in this Placement Document have been presented in millions or in whole numbers where the numbers have been too small to present in millions unless stated otherwise. Further, certain figures in the section entitled "*Industry Overview*" of this Placement Document have been presented in USD millions.

In this Placement Document, references to "crore(s)" represents "1,00,00,000", "million" represents "0.1 crore" or "1,000,000", "lakh(s)" represents "1,00,000" or "0.1 million" and "billion" represents "1,000,000,000" or "1,000 million" or "100 crore".

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Financial data and other information

The Financial Year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'Financial Year', 'Fiscal Year', 'fiscal' or 'FY' are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Our Company has published its Audited Consolidated Financial Statements for Fiscal 2023 and Audited Standalone Financial Statements for Fiscal 2023 and 2022 and Special Purpose Audited Standalone Ind AS Financial Statements as at and for the year ended March 31, 2021, in Indian Rupees in millions and have been presented in this Placement Document in millions for presentation purposes. As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Placement Document:

- Audited Consolidated Financial Statements of our Company as at and for the Financial Year ended March 31, 2023, prepared in accordance with the Ind AS; and
- Audited Standalone Financial Statements for Financial Years ending March 31, 2023 and March 31, 2022, prepared in accordance with Ind AS (along with the Audited Consolidated Financial Statements, collectively, the "**Audited Financial Statements**")
- Special Purpose Audited Standalone Ind AS Financial Statements as at and for the year ended March 31, 2021;

The Audited Financial Statements should be read along with the respective audit reports. For details, please see the section entitled "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 309 and 99, respectively.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its Audited Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Financial Statements and Audited Standalone Financial Statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices, Ind AS, Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. Please see the section entitled "*Risk Factors – Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document*" on page 76.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as EBIT, EBIT Margin, EBITDA, EBITDA Margin, PAT Margin, Gross Profit, Gross Margin, Net Worth, Capital Employed, Return on Net Worth, Net Working Capital, Net Debt/Equity Ratio and Net Debt/EBITDA Ratio (together referred as "**Non-GAAP Measures**") presented in this Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. 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.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance or liquidity. See the section entitled, "*Risk Factors - We track certain operational metrics with internal systems and tools. Certain of our operational metrics are subject to inherent challenges in measurement which may adversely affect our business and reputation"* on page 73.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies, professional organisations and analysts on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained or derived from the report titled *"Indian Chemicals and Specialty Chemicals Market Report"* dated June 16, 2023 ("**F&S Report**"), which is a report commissioned and paid for by us and prepared by Frost & Sullivan (India) Private Limited. Further, Frost & Sullivan (India) Private Limited has issued the following disclaimer in the F&S Report:

"*Indian Chemicals and Specialty Chemicals Market Report has been prepared for the proposed qualified institutions placement of equity shares by Aether Industries Limited (the "Company").*

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

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

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

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

This information is subject to change and cannot be certified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the BRLMs have independently verified this market and industry data, nor do we or the BRLMs make any representation regarding the accuracy or completeness of such data. The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections entitled *"Our Business", "Risk Factors", "Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the F&S Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section entitled *"Risk Factors"* on page 52.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "contemplate", "continue", "could", "estimate", "expect", "future", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "seek to", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition, results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Placement Document (whether made by our Company or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations could have an adverse effect on our business, financial condition and results of operations.
- Risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances.
- We derive a significant part of our revenue from major customers, and we do not have long term contracts with all of these customers. If one or more of such customers choose not to source their requirements from us or to terminate our long-term contracts, our business, financial condition and results of operations may be adversely affected.
- Our insurance coverage may not adequately protect us against all losses, or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in the sections entitled "*Risk Factors*", "*Our Business*", *"Industry Overview"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 52, 215, 128 and 99, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to rely on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither we, our Directors, the BRLMs nor any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Except as disclosed in the section entitled *"Board of Directors and Key Managerial Personnel"* on page 245, most of our Directors, Key Managerial Personnel and Senior Management Personnel named in this Placement Document, are residents of India and a large portion of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

i. where the judgment has not been pronounced by a court of competent jurisdiction;
ii. where the judgment has not been given on the merits of the case;
iii. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
iv. where the proceedings in which the judgment was obtained were opposed to natural justice;
v. where the judgment has been obtained by fraud; and
vi. where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Indian Rupees and the foreign currencies will affect the foreign currency equivalent to the Indian Rupees price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Indian Rupees on the Equity Shares. The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Indian Rupees and the U.S. dollar (in ₹ per US $), for the periods indicated. The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI and Financial Benchmarks India Private Limited (the "**FBIL**"), which are available on the website of the FBIL. No representation is made that any Indian Rupees amounts, could have been, or could be, converted into U.S. dollars or Euro at any particular rate, the rates stated below, or at all.

Fiscal ended	***(₹ per US$)****			
	Period End (1)	**Average (2)**	**High (3)**	**Low (4)**
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
March 31, 2021	73.50	74.20	76.81	72.29

Months ended	***(₹ per US$)****			
	Period End (1)	**Average (2)**	**High (3)**	**Low (4)**
May 31, 2023	82.68	82.34	82.80	81.74
April 30, 2023	81.78	82.02	82.39	81.65
March 31, 2023	82.22	82.29	82.68	81.74
February 28, 2023	82.68	82.61	82.92	81.85
January 31, 2023	81.74	81.90	82.91	81.22
December 31, 2022	82.79	82.46	82.92	81.15

Source: www.rbi.org.in and www.fbil.org.in

(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
(2) Represents the average of the official rate for each working day of the relevant period;
(3) Maximum of the official rate for each working day of the relevant period;
(4) Minimum of the official rate for each working day of the relevant period; and
**Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places.*

***Notes:** If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The RBI/ FBIL reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the SEBI Act, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections entitled "*Industry Overview*", "*Statement of Possible Tax Benefits*", "*Legal Proceedings*" and "*Financial Statements*" on pages 128, 301, 305 and 309, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
Our Company / the Company / the Issuer / Aether Industries Limited / AIL	Aether Industries Limited, a company incorporated in India under the erstwhile Companies Act, 1956, having its registered and corporate office at Plot No. 8203, GIDC Sachin, Surat – 394 230, Gujarat, India
the Group / us / we / our	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiary, on a consolidated basis

Company Related Terms

Term	Description
AIL ESOS 2021	Employee stock option scheme formulated by our Company, namely, Aether Industries Limited - Employee Stock Option Scheme 2021
Articles / Articles of Association / AoA	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board of Directors as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 245
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and its Subsidiary, Aether Speciality Chemicals Limited, as of and for the Financial Year ended March 31, 2023, comprising of the consolidated balance sheet, consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated cash flow statement for the year ending March 31, 2023, which have been prepared in accordance with the Ind AS, as specified under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, to the extent applicable
Audited Financial Statements	The Audited Standalone Financial Statements and the Audited Consolidated Financial Statements
Audited Standalone Financial Statements	The audited standalone financial statements for the Financial Year ended March 31, 2023 and 2022, which have been prepared in accordance with the Ind AS, as specified under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, to the extent applicable, each standalone balance sheet, standalone statement of profit and loss, standalone statement of changes in equity and the standalone cash flow statement for the Financial Years ending March 31, 2023 and 2022, significant accounting policies, notes and other explanatory information to the respective standalone financial statements.
Auditors / Statutory Auditors / Independent Auditors	The current statutory auditors of our Company, namely, M/s Birju S. Shah & Associates, Chartered Accountants
Board of Directors / Board	The Board of Directors of our Company or any duly constituted committee thereof
Chairperson	The Chairperson of our Board, being Kamalvijay Ramchandra Tulsian
Chief Financial Officer	The Chief Financial Officer of our Company, being Faiz Arif Nagariya
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, being Chitrarth Rajan Parghi
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by our Board of Directors as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 245

Term	Description
Director(s)	Director(s) on the Board of our Company, unless otherwise specified
Equity Shares	The equity shares of our Company of face value ₹ 10 each.
Executive Director	Executive directors of our Company. For details, see the section entitled "*Board of Directors and Key Managerial Personnel*" on page 245
Independent Director(s)	The non-executive and independent Directors of our Company appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 245
Key Managerial Personnel / KMP(s)	Key Managerial Personnel of our Company, as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 245
Managing Director	The Managing Director of our Company, being Ashwin Jayantilal Desai
Memorandum/ Memorandum of Association / MoA	The memorandum of association of our Company, as amended from time to time
Monitoring Agency	CRISIL Ratings Limited
Monitoring Agency Agreement	Agreement dated June 19, 2023, entered into between our Company and the Monitoring Agency
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by our Board of Directors as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 245
Non-Executive Director	Non-Executive Directors of our Company. For details, see the section entitled "*Board of Directors and Key Managerial Personnel*" on page 245
Non-Executive Non-Independent Director	Non-Executive Non-Independent Directors of our Company. For details, see the section entitled "*Board of Directors and Key Managerial Personnel*" on page 245
Preference Shares	8% convertible cumulative redeemable preference shares of our Company
Promoter Group	The members of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations.
Promoters	The Promoters of our Company namely, Ashwin Jayantilal Desai, Purnima Ashwin Desai, Rohan Ashwin Desai, Dr. Aman Ashvin Desai, AJD Family Trust, PAD Family Trust, RAD Family Trust, AAD Family Trust and AAD Business Trust
Registered and Corporate Office	Registered and corporate office of our Company located at Plot No. 8203, GIDC Sachin, Surat – 394 230, Gujarat, India
Risk Management Committee	The risk management committee constituted by our Board of Directors as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 245
RoC / Registrar of Companies	Registrar of Companies, Gujarat at Ahmedabad
Senior Management Personnel / SMP(s)	Senior Management Personnel of our Company, as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 245
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
Special Purpose Audited Standalone Ind AS Financial Statements	The Special Purpose Audited Standalone Ind AS Financial Statements as at and for the year ended March 31, 2021 which have been prepared in accordance with the Ind AS, as specified under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, to the extent applicable, each standalone balance sheet, standalone statement of profit and loss, standalone statement of changes in equity and the standalone cash flow statement for the Financial Years ending March 31, 2021, significant accounting policies, notes and other explanatory information to the standalone financial statements
Subsidiary	The wholly owned subsidiary of our Company, namely Aether Speciality Chemicals Limited
Stakeholders' Relationship Committee	The stakeholders' relationship committee constituted by our Board of Directors as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 245.

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company following the determination of the Issue Price to investors on the basis of Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations
Allotment/ Allotted/ Allot	The issue and allotment of Equity Shares pursuant to this Issue
Allottee(s)	Eligible QIB(s) to whom Equity Shares are issued and allotted pursuant to this Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to this Issue

Term	Description
Bid(s)	An indication of interest by a Bidder, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in this Issue on submission of the Application Form
Bidder(s)	An Eligible QIB who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Bidding Period/ Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders were allowed to submit their Bids including any revision and/or modifications thereof
BRLM(s)/ Book Running Lead Managers	HDFC Bank Limited and SBI Capital Markets Limited
CAN/ Confirmation of Allocation Note	Note or advice or intimation issued to Eligible QIBs confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue was made, i.e., on or about June 22, 2023
Designated Date	The date of credit of Equity Shares pursuant to this Issue to the Allottee’s demat account, as applicable to the relevant Allottee
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs that are eligible to participate in this Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in this Issue under applicable law. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in “offshore transactions”, as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.
Escrow Account	The account titled “Aether Industries Limited - QIP Account” which was opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to this Issue were deposited and from which refunds, if any, shall be remitted, as set out in the Application Form
Escrow Bank/ Escrow Agent	ICICI Bank Limited
Escrow Agreement	The agreement dated June 19, 2023, entered into amongst our Company, the Escrow Agent and the BRLMs for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The floor price ₹984.90 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of ₹48.90 constituting 4.96% on the Floor Price in accordance with the approval of the Shareholders accorded through a special resolution passed at the annual general meeting held on June 16, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue	The issue and allotment of 8,012,820 Equity Shares each at a price of ₹ 936.00 per Equity Share, including a premium of ₹ 926.00 per Equity Share, aggregating ₹ 7,500.00 million* pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder **Subject to Allotment of Equity Shares pursuant to the Issue.*
Issue Closing Date	June 22, 2023, the last date up to which the Application Forms were accepted by our Company (or the BRLMs, on behalf of our Company)
Issue Document	Collectively, the Preliminary Placement Document and this Placement Document
Issue Opening Date	June 19, 2023, the date on which the acceptance of the Application Forms was commenced by our Company (or the BRLMs, on behalf of our Company)
Issue Price	A price per Equity Share of ₹ 936.00 per Equity Share, including a premium of ₹ 926.00 per Equity Share
Issue Size	The aggregate size of this Issue, aggregating up to ₹ 7,500.00 million*. **Subject to Allotment of Equity Shares pursuant to the Issue.*

Term	Description
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in this Issue, which is available for Allocation to Mutual Funds
Pay-In Date	Last date specified in the Application Form for the payment of application monies by Bidders in this Issue
Placement Agreement	The agreement dated June 19, 2023, between our Company and the BRLMs
Placement Document	This placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended, from time to time
Preliminary Placement Document	The preliminary placement document dated June 19, 2023, issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act and the rules made thereunder
QIBs/ Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to this Issue
Relevant Date	June 19, 2023, which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decided to open this Issue
Stock Exchanges	BSE Limited and National Stock Exchange of India Limited
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be allocated shares in this Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or trading day of stock exchanges as applicable

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CY	Calendar Year
Civil Code	The Indian Code of Civil Procedure, 1908
Companies Act/ Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EGM	Extraordinary General Meeting
ESG	Environment, Social and Governance
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder

Term	Description
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
Financial Year / Fiscal Year/ Fiscal/ FY	A period of 12 months starting April 1 and ending March 31, unless otherwise stated
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GDP	Gross Domestic Product
GoI/ Government	Government of India
GST	Goods and Services Tax
HDFC	HDFC Bank Limited
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act/IT Act	The Income-tax Act, 1961
Ltd.	Limited
MCA	Ministry of Corporate Affairs
NCLT	National Company Law Tribunal
Non-Resident Indian(s)/ NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent account number
PAS Rules	Companies (Prospectus and Allotment) Rules, 2014
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
Revenue	Revenue from operations is net of Goods and Service Tax as applicable.
Rs/Rupees/Indian Rupees	The legal currency of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended

Term	Description
USA/ U.S./ United States	The United States of America, its territories and possessions, and States of the United States and the District of Columbia
Video Conferencing / Other Audio-Visual Means facility or VC / OAVM facility	Audio- visual electronic communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Wilful Defaulter or Fraudulent Borrower	A person who or which is categorised as a wilful defaulter or fraudulent borrower by any bank or financial institution (as defined under Companies Act) or consortium thereof in accordance with guidelines on wilful defaulters or fraudulent borrowers issued by RBI, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations

Technical, Industry and Other Terms

Term	Description
4MEP	4-(2-Methoxyethyl) Phenol
ADL	Analytical method development
API	Active pharmaceutical ingredient
CRAMS	Contract research and manufacturing services
CSR	Corporate social responsibility
CTO	Chief technology officer
DCS	Distributed control system
DVL	Delta-Valerolactone
HEEP	1-2-(2Hydroxyethoxy) Ethyl Piperazine
ICT	Institute of Chemical Technology
F&S	Frost & Sullivan (India) Private Limited
F&S Report/ Industry Report	Industry Report titled *"Indian Chemicals and Specialty Chemicals Market Report"* dated June 16, 2023 ("**F&S Report**"), that has been commissioned and paid for by our Company and is prepared by Frost & Sullivan (India) Private Limited for the purposes of this Issue. F&S was appointed by our Company pursuant to the engagement letter dated May 12, 2023.
Manufacturing Facility 1 or Hojiwala Unit	Our manufacturing facility at Plot No. B-21/7 SUSML, Road No. 3, Hojiwala Industrial Estate, Sachin, Surat – 394 230, Gujarat, India.
Manufacturing Facility 2	Our manufacturing facility at Plot No. 8203, Road No. 08, GIDC Industrial Estate, Sachin, Surat – 394 230, Gujarat, India.
Manufacturing Facility 3	Our manufacturing facility at 8202/1, Road No. 8, GIDC Industrial Estate, Sachin, Surat – 394 230, Gujarat, India and the new units at 8202/2/A and 8202/2/B, Road No. 8, GIDC Industrial Estate, Sachin, Surat – 394 230, Gujarat, India.
Manufacturing Facility 4	The manufacturing facility proposed to be set up by the Subsidiary at Plot No. 362, Road No. 3, GIDC Industrial Estate, Sachin, Surat – 394 230, Gujarat, India
Manufacturing Facility 5	The manufacturing facility proposed to be set up at Plot No. 14 + 15, GIDC Industrial Estate, Panoli – 394 115, Bharuch, Gujarat, India
MMBC	3-Methoxy-2-Methylbenzoyl Chloride
NSAIDs	Nonsteroidal anti-inflammatory drugs
NODG	N-Octyl-D-Glucamine / 1-Deoxy-1-(Octylamino)-D-Glucitol
OTBN	Ortho Tolyl Benzo Nitrile / 4'-Methyl-2-Cyanobiphynyl
Pilot Plant	Our pilot plant located in Manufacturing Facility 1.
PCPIRs	Petroleum investment regions
PLI	Production linked incentive
R&D	Research and development
R&D Facilities	Our R&D facilities located in Manufacturing Facility 1.
SH&E	Safety health & environment
SRP Plant	Solvent recovery plant
T2E	Thiophene-2-Ethanol
ZLD plant	Zero liquid discharge plant

SUMMARY OF BUSINESS

Overview

Our Company is a speciality chemical manufacturer in India focused on producing advanced intermediates and speciality chemicals involving complex and differentiated chemistry and technology core competencies. Our business was started in 2013 with a vision to create a niche in the global chemical industry with a creative approach of 8x8 matrix of core competencies which we have developed in-house, from scratch, towards chemistry, technology and systems that would lead to sustainable growth. In the first phase of our development through Fiscal 2017, we focused on building our team and infrastructure and on our R&D centred around building our core competencies. Our revenue generation operations commenced with our second phase in Fiscal 2017. We are one of the fastest growing specialty chemical companies in India, growing at a CAGR of nearly 43.11% between Fiscal 2018 and Fiscal 2023. *(Source: F&S Report)*

We are focused on the core competencies model of chemistry and technology. According to the F&S Report, chemical companies usually have a single or a couple of chemistry competencies for their entire product portfolio; however, we have eight chemistry competencies to use for our wide array of products, which enables us to cater to niche and advanced intermediate requirements of a wider range of end-products and applications. All the chemistry and technological competencies have been developed in-house, which is one of the core strengths of our R&D team *(Source: F&S Report)*. We have three business models under which we operate: (i) large scale manufacturing of our own intermediates and speciality chemicals; (ii) contract research and manufacturing services ("**CRAMS**") and (iii) contract/exclusive manufacturing. We are among the few Indian specialty chemical companies to have successfully launched these three separate business models, large scale manufacturing, contract research/ exclusive manufacturing, and CRAMS (contract research and manufacturing services), in just 5 years into commercial manufacturing *(Source: F&S Report)*. We have a nuanced criteria for choosing our products based on their chemical complexity, niche applications, limited competition, scalability and commercial potential. Using these criteria, we developed, and continue to develop, advanced intermediates and speciality chemicals products having applications in the pharmaceutical, agrochemicals, material science, coatings, high performance photography, additives and oil & gas segments of the chemicals industry.

As of March 31, 2023, our product portfolio comprised over 28 products. According to the F&S Report, we were the sole manufacturer in India of certain critical chemicals, such as, 4MEP, MMBC, T2E, OTBN, NODG, DVL and Bifenthrin Alcohol. According to the F&S Report, we were (i) the biggest manufacturer of 4MEP globally in terms of production volume and the only manufacturer of this product in India, (ii) the largest manufacturer of HEEP in India and globally in terms of sales volume, (iii) the largest manufacturer of NODG globally in terms of sales volume and the only manufacturer of this product in India and (iv) the biggest manufacturer of T2E globally in terms of production volume and the only manufacturer of this product in India. The table below sets forth eight of our products, their applications, our market position globally and in India for such products, and their launch year.

Product	Launch Year	Industry Application	Global market size (MT) [(1)]	Quantity manufactured by our Company (MT)	Company Global Market Position [(1)]	Company India Market Positions[(1)]
4-(2-Methoxyethyl) Phenol **(4MEP)**	December 2016	Metoprolol Succinate / Metoprolol Tatrate	1,750	845	Largest manufacturer in the world (with 32-35% market share in CY2022)	Only manufacturer in India
3-Methoxy-2-Methylbenzoyl Chloride (**MMBC**)[(2)]	September 2019	Methoxyfenozide	1,970	239	Second largest manufacturer in the world (with 13.9% market share in CY2022)	Only manufacturer in India
Thiophene-2-Ethanol **(T2E)**	May 2017	Clopidogrel, Ticlopidine APIs	790	363	Largest manufacturer in the world (with nearly 50% market share in CY2022)	Only manufacturer in India
Ortho Tolyl Benzo Nitrile / 4'-Methyl-2-Cyanobiphynyl **(OTBN)**	December 2018	Valsartan, Telmisartan, Olmesartan, Losartan, Candisartan APIs	6,065	43	Market share in CY2022 was negligible	Only manufacturer in India
N-Octyl-D-Glucamine / 1-Deoxy-1-(Octylamino)-D-Glucitol (**NODG**)	July 2015	Naproxen, Dexketoprofen APIs	955	246	Largest manufacturer in the world (with 28.2% market share in CY2020)	Only manufacturer in India
1-2-(2Hydroxyethoxy) Ethyl Piperazine **(HEEP)**	May 2018	Quetiapine, Hydroxyzine APIs	526	260	Largest manufacturer in the world (with 41% market share in CY2022)	One of three major manufacturers, only manufacturer in India to be backward integrated into key raw material
Delta-Valerolactone (**DVL**)	September 2016	Coating additive, speciality monomer, electronic chemical	735	188	Second largest manufacturer in the world (with 19-20%	Only manufacturer in India

Product	Launch Year	Industry Application	Global market size (MT) (1)	Quantity manufactured by our Company (MT)	Company Global Market Position (1)	Company India Market Positions(1)
					market share in CY 2022)	
Bifenthrin Alcohol	August 2021	Bifenthrin	3,420	334	Among the top 6 companies in the world (approximately 10% of the market share in the global market)	Only manufacturer in India

Notes:
(1) Market share and market size by volumes as of CY 2022 (Source: F&S Report).
(2) MMBC is manufactured for our customer as part of our contract/exclusive manufacturing business.

We specialize in products based on an intricate marriage of complex chemistry and technology core competencies. Examples of our chemistry core competencies include Grignards, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (homogeneous /heterogeneous), exothermic chemistry, cross coupling chemistry and olefin metathesis/polymerization chemistry. Examples of our technology core competencies include continuous reaction technology, batch reaction technology, high pressure reaction technology, fixed bed reaction technology, cryogenic reaction technology, distributed control system ("**DCS**") process automation and high vacuum distillation technology (wiped film/short path). By our focus on 8x8 matrix of core competencies we have developed in-house from scratch, we have developed a chemistry and technology oriented sales vision, to cater to various segments of the chemical industry, as compared to a product and industry oriented sales vision. Our focus on core competencies also helps us mitigate risk because our business strategy and R&D are not targeted to any specific product, customer, region, or industry. Our Company is one of the few companies in the specialty chemicals sector in India who has deployed continuous reaction technology as a core technology competency at all stages (R&D, Pilot Plant and large scale manufacturing) *(Source: F&S Report)*.

Our products are advanced intermediates and speciality chemicals that occupy a position in the chemical industry value chain between commodity chemicals and final actives and formulations with our products more closely aligned to the higher value range, further away from the commodities and closer towards the final active part of the value chain. Our Company is known to have strong market positioning in complex intermediates where global competition is intense *(Source: F&S Report).* We have been focused on developing high value products, which has resulted in the average selling price of all our products to grow by a CAGR of 7.92% between Fiscal 2016 and Fiscal 2023 *(Source: F&S Report).* Our products find application in a number of therapeutic segments in the pharmaceuticals industry including hypertension, anti-platelet, anti-psychotic, anti-histamine and nonsteroidal anti-inflammatory drugs ("**NSAIDs**"). Our products also find application in various other industries like agrochemicals, material science, coatings, high performance photography, additives and oil & gas. Most of our advanced intermediates and speciality chemicals product portfolio was developed for the first time in India and constitute 100% import substitution, thus furthering the "Make in India" or "Atma-Nirbharta" campaigns of the Government of India *(Source: F&S Report).*

Our sales of our advanced intermediates and speciality chemicals products are predominantly conducted on a business-to-business basis both in India and internationally. A majority of our products are exported internationally, and we export products to 21 countries, including Italy, Spain, Germany, the United States, Netherlands, Singapore, Malta, Norway, South Korea and other parts of the world. Our revenue from exports (including deemed exports) have grown at CAGR of 33.65% from ₹2,516.62 million in Fiscal 2021 to ₹4,495.04 million in Fiscal 2023.

The foundation of our Company is our in-house research and development capabilities. Our chemistry and technology core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production employing in-house design and engineering. We inaugurated our R&D centre on October 11, 2022. We have dedicated in-house R&D Facilities and Pilot Plant at our Manufacturing Facility 1 at Sachin in Surat, Gujarat. Our R&D Facilities are dedicated to the development of our pipeline and next generation products as well as to our CRAMS customers. As of March 31, 2023, we had a specialized R&D team of 233 scientists and engineers including 111 scientists (with PhDs or Master of Science and Bachelor of Science degrees) and 122 chemical engineers and as of March 31, 2022, we had a specialized R&D team of 164 scientists and engineers comprising of 92 scientists (with PhDs or Master of Science and Bachelor of Science degrees) and 72 chemical engineers. Our R&D Facilities are equipped with laboratories engaged in process development, process innovation and technology development, which assists us in pursuing efficiencies from the initial conceptualization up to commercialization of a product. Our strategic investments in R&D have been critical to our success and a differentiating factor for us to attain leading market positions for certain products *(Source: F&S Report).*

We have a state-of-art Pilot Plant, which is a vital link between R&D and large scale production. According to the F&S Report, we have one of the largest state-of-art pilot plants in the world with 106 reactors installed, for both batch as well as continuous reaction technology. Our Pilot Plant has a dual functionality; it functions to generate critical scale-up data in the transition from R&D to production to help eliminate issues at full production scale; and it also functions as a stand-alone manufacturing facility for low volume, high value products for our CRAMS customers. Our Pilot Plant encompasses a wide range of reactor and downstream equipment, in both continuous and batch regimes, across the entire range of scale-up volumes, metallurgy, and process parameters and is automated through DCS process automation. A unique section in our Pilot Plant is the continuous reaction and flow technology plant, housing pilot scale equipment for continuous and flow reactors and continuous downstream equipment.

We have three sites at Sachin in Surat (Gujarat, India). Our Manufacturing Facility 1 is an approximately 3,500 square meters facility including our R&D Facilities, our analytical sciences laboratories, our Pilot Plant, our CRAMS facility and our hydrogenation facility. Our Manufacturing Facility 2 spans approximately 10,500 square meters and acts as a large scale manufacturing facility with an installed capacity of 6,096 MT per annum (for our solvent recovery plant ("**SRP Plant**"): 13,140 MT) distributed among three buildings that host 16 production streams (and one SRP Plant Stream), as of March 31, 2023. Our capacity utilization was 70.98% (for our SRP Plant: 69.44%) as of March 31, 2023, as certified by Dr. Pankaj Jayantilal Gandhi, Chartered Engineer. Our Manufacturing Facility 3 spans over land admeasuring 5,250 square meters and acts as a large-scale manufacturing facility with an installed capacity of approximately 3,500 MT per annum and is used for the production of speciality chemicals and intermediates for use in Pharmaceutical industry. See "*—Manufacturing and R&D Facilities*" below. Each facility is equipped to function independently, with its own quality department, effluent treatment plant and warehouse. Each facility is automated with DCS process automation, and built to the high standards of technology, engineering and automation. All the facilities are in close proximity to the Hazira Port and JNPT Port, which helps us save freight costs on our exports. We also have procured the ISO 9001:2015 certification for our Manufacturing Facility 1 and the ISO 14001:2015, ISO 45001:2018, ISO 27001:2013 and GMP certifications for our major operations at our Manufacturing Facility 2. We have also acquired additional land next to the existing Manufacturing Facility 3, with the intention of extending the Manufacturing Facility 3 which now consist of 10,500 square meters. We have entered into an agreement for acquiring land for Manufacturing Facility 4 of 5,250 square meters at Sachin. We have acquired land on a long term lease, for the Manufacturing Facility 5 of 125,874.64 square meters at Panoli GIDC, Bharuch District, Gujarat. We have applied for the regulatory approvals for the Manufacturing Facility 5 and have started the wall fencing work.

We have, in Fiscal 2023, expanded our R&D and Pilot Plant capacities by adding new fume hoods in R&D (which have increased from 17 in Fiscal 2022 to 55 in Fiscal 2023) and the reactors in Pilot Plant (which were over 100 in Fiscal 2022 to more than 200 in Fiscal 2023).

In addition to R&D and manufacturing of own products (our first business model), we engage in contract research and manufacturing services (CRAMS, our second business model), which are the research and technology services that customers outsource to us and include contract research, pilot scale-up services, contract manufacturing, FTE services, technology development and process development and optimisation. Our CRAMS customers work jointly with our scientists and engineers, and we execute their projects in our R&D Facilities, analytical sciences laboratories, and our Pilot Plant. Molecules developed in our CRAMS business for our customers have the potential to convert into regular commercial supplies and become large scale manufacturing products for our Company. The growing CRAMS business model also enables us to interact directly with the top echelons of technical and research teams and leadership (chief technology officers, technical directors and technical vice presidents) of the global leading innovator and multi-national companies across the industry, opening up future contract manufacturing opportunities for our Company *(Source: F&S Report)*. In Fiscal 2021, Fiscal 2022 and Fiscal 2023, revenues from our large scale manufacturing constituted 72.23%, 67.03% and 51.56% of our revenues from operations. In Fiscal 2021, Fiscal 2022 and in Fiscal 2023, revenues from our CRAMS business constituted 7.98%, 8.12% and 12.54%, respectively, of our revenues from operations.

We also manufacture our customer's products under contractual/exclusive supply agreements (our third business model). These customer contracts are both short-term and long-term and involve both exclusive and non-exclusive arrangements. In Fiscal 2021, Fiscal 2022 and in Fiscal 2023, revenues from our contract manufacturing business constituted 19.38%, 23.77% and 34.31%, respectively, of our revenues from operations.

We have a target driven approach to environment, health, sustainability and safety measures. Our manufacturing principles and technologies aim to adhere to the core tenets of "green" chemistry or sustainable chemistry. Principles of energy saving and conservation, atom economy and the 4R strategy (reduce / recover / recycle / reuse) are fundamental in our manufacturing designs and engineering. As part of environment and sustainability efforts, we have installed a 100 KLPD in-house zero liquid discharge ("**ZLD**") plant. We undertake hazard and operability studies before commencing commercial production of new products and look to mitigate hazards through process improvement, engineering controls, process automation (including our DCS Systems), mock drills, developing safe operating procedures and comprehensive training of our employees.

Our Company is led by our Promoters comprising of our Managing Director Ashwin Jayantilal Desai, and our executive (whole time) Directors, Purnima Ashwin Desai, Rohan Ashwin Desai and Dr. Aman Ashvin Desai, who have a combined experience of over 125 years in the chemical industry. Each of our Promoters is a career-technocrat and is actively involved in the critical aspects of our business, including R&D, process and plant engineering, finance and marketing. Our senior management team is also experienced in the chemicals industry. The majority of our management team has spent more than 5 years each with our Company. Our Senior Management Personnel include career-technocrats such as Dr. James Ringer (experience at Dow Chemical Company, USA), Raymond Paul Roach (experience at Dow Chemical Company) and Dr. Norbert Flüggen (experience at Altana Management Services, USA).

Key financial information

Certain key financial information is set forth below:

(in ₹ million except percentages and ratios)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023
EBITDA[(1)]	1,121.59	1,681.07	1,862.51
EBITDA Margin[(2)]	24.93%	28.49%	28.61%
PAT Margin[(3)]	15.67%	18.25%	19.53%
RoCE[(4)]	28.50%	23.96%	14.28%
Debt equity ratio[(5)]	1.19	0.74	0.00
Return on Net Worth[(6)]	40.79%	28.16%	10.48%

Notes:

[1]EBITDA is calculated as the sum of (i) profit before tax excluding exceptional items and prior period items for the period/year, (ii) depreciation and amortization expenses, and (iii) finance costs less (iv) other income.

[2]EBITDA Margin is calculated as EBITDA divided by revenue from operations.

[3]PAT Margin is calculated as profit for the period/year divided by total income.

[4]RoCE is calculated as earnings before interest and taxes divided by Capital Employed. Capital Employed is calculated as total equity, plus non-current borrowings, plus current borrowings, less current investments, less cash & cash equivalents, less bank balances other than cash & cash equivalents.

[5]Debt equity ratio defined as Total Debt/Total Equity. Total Debt is calculated as non-current borrowings plus current borrowings.

[6]Return on Net Worth is calculated as profit for the period/year divided by Net Worth.

Our Market Opportunity

Growth in Speciality Chemical Market

From CY 2022 to CY 2028, the global chemicals market is expected to grow at a CAGR of 4.3% and the India Speciality chemical market at a CAGR of 10.3%, according to Frost & Sullivan. The following table sets forth the size in CY2022 of the global chemical market, global speciality chemical market and the Indian speciality chemical market and the expected growth in these markets forecast for CY 2028.

Market	CY2022	CY2028	CAGR (2022-28)
Global Chemical Market	$5,030 billion	$6,460 billion	4.3%
Global Speciality chemical Market	$ 960 billion	$1,440 billion	7.0%
India Speciality Chemical Market	$ 75 billion	$ 135 billion	10.3%

(Source: F&S Report)

Factors driving the growth in India Speciality Chemicals market

The following factors are driving growth in the India Speciality Chemicals market:

Growth in End Use Segments

According to F&S Report, the speciality chemicals industry in India is driven by both domestic consumption and exports. The following table sets forth the size in CY2022 of the segments of the Indian speciality chemical market and the expected growth in these segments forecast for CY 2028.

India Speciality Chemical Segments	2022	2028 (forecast)
	(US$ billions)	
Agrochemicals & Fertilizers	30.2	56.2
Pharmaceuticals (API)	12.4	24.7
Dyes & Pigments	7.6	12.9
Paints & Coatings Additives	5.5	9.8
Home & Personal Care	4.4	7.2
Textile Chemicals	2.1	3.3
Water Treatment Chemicals	1.9	3.0
Flavours & Fragrances Ingredients	1.8	3.2
Construction Chemicals	1.0	1.5
Others	8.2	13.2
Total	**75.1**	**135.0**

(Source: F&S Report)

Supply chain de-risking driven by China downturn

China's chemicals market has seen a downturn in recent years due to various factors:

(i) Stringent environmental norms: The tightening of environmental protection norms in China since January 2015 resulting in increase in operating costs, closure and relocation of manufacturing facilities *(Source: F&S Report).*

(ii) Rising cost of labour: The labour cost (hourly cost of compensation) in China was lower than that of India till 2007. However, over 2005-2015, the average labour cost in China increased nearly 19-20% CAGR, against 4-5% CAGR in India *(Source: F&S Report).*

While these may not be permanent trends, these will involve significant costs of production for Chinese companies, enabling India to significantly strengthen its position in the global supply chain and position itself as a viable alternative for global players seeking a de-risked supply chain while containing sourcing costs *(Source: F&S Report).* The recent downturn observed in China's speciality chemicals industry is serving as an opportunity for Indian manufacturers, who have now gained a cost advantage over their Chinese counterparts *(Source: F&S Report).*

Accelerated R&D and capital expenditure

According to F&S Report, India's R&D capabilities and the long-term relationships that the domestic Indian chemical companies have forged with their customers are key to the growth of Indian chemical companies. The sector is witnessing accelerated capital expenditure and investment in R&D to build product development capabilities. Increased R&D allows these companies to step up their position in the speciality chemicals manufacturing value chain to become 'proprietary chemical producers' *(Source: F&S Report).* The key specialty chemical companies in India have committed capex of 73%-152% for CY 2022 to CY 2025 of the cumulative capex incurred in the last 5 years of CY 2018-22 *(Source: F&S Report).* These companies had made capital expenditure for capacity augmentation and/or product development based on their end-user industries *(Source: F&S Report).*

GoI support and "Make in India" campaign

The GoI is providing support through production linked incentive ("**PLI**") scheme and other schemes and competitive tax rates *(Source: F&S Report).* Further, the "Make in India" campaign is also expected to add impetus to the emergence of India as a manufacturing hub for the chemicals industry in the medium term. Through incentives, subsidies and grants under this campaign, Indian companies could gain further ground as companies would want to reduce dependence on China after the COVID-19 pandemic and shift their supply chains *(Source: F&S Report).*

Availability of feedstock

The GoI has encouraged companies to set up capacities in petroleum, chemicals, and petroleum investment regions ("**PCPIR**") by demarcating special zones to aggregate feedstock demand. PCPIRs are expected to boost chemicals manufacturing, to the extent that it is sufficient to meet domestic as well as export demand *(Source: F&S Report).*

Improved safety, health and environment compliance and "Green chemistry"

India like China also faces threat from environmental concerns and tighter norms. Over the years, Indian chemicals players have invested in safety health & environment ("**SH&E**") to ensure plant sustainability *(Source: F&S Report).* Further, the concept of Green Chemistry in India is evolving. The rising pollution and harm caused to water bodies owing to emission of harmful chemical effluents into water is leading to rise in concern of sustainability. The pharmaceutical industry was among the first to embrace Green Chemistry for its significant potential to reduce costs and risks *(Source: F&S Report).*

For further details, see "*Industry Overview*" on page 128.

Our Strengths

We believe that we possess a number of competitive strengths, which enable us to successfully execute our business strategies, including the following:

Differentiated portfolio of market-leading products

We are focused on producing advanced intermediates and speciality chemicals involving complex and differentiated chemistry and technology core competencies. Our products have applications across a wide spectrum of uses in the pharmaceutical, agrochemicals, material science, coatings, high performance photography, additives and oil & gas industries. As of March 31, 2023, our product portfolio comprised over 28 products which were marketed to more than 50 global customers in 21 countries and to more than 230 domestic customers.

The complexity of our products relative to commodity chemicals and regular specialty chemicals is illustrated in the table below.

Parameter	Commodity Chemicals	Regular Speciality Chemicals	Aether Speciality Chemicals
Blended Price	₹200-350 per kg	₹450-750 per kg	~₹1,766.25 per kg
Steps in the manufacturing process	1-2	2-3	4-10
Number of stages remaining until active ingredients are produced	n-10 and upwards	n-6 till n-9	n-1 till n-6

(Source: F&S Report)

We believe that we have achieved these market positions by developing differentiated processes with the use of our core competencies of chemistry, technology and systems, which helped us to optimize the use of conventional raw materials, improve atom economy, enhance yields, reduce effluent discharge, and increase cost competitiveness. The specialty chemicals industry observes a high barrier to new entrants due to the complex production processes requiring high level of technical knowledge and R&D capabilities *(Source: F&S Report)*. Based on the technical expertise we have developed over the years, we are able to carry out these processes for our products at global scale capacities.

According to F&S Report, in CY2022, we were the sole manufacturer in India of certain critical chemicals, such as, 4MEP, MMBC, T2E, OTBN, NODG, DVL and Bifenthrin Alcohol. According to the F&S Report, we were (i) the biggest manufacturer of 4MEP globally in terms of production volume and the only manufacturer of this product in India, (ii) the largest manufacturer of HEEP in India and globally in terms of production volume, (iii) the largest manufacturer of NODG globally in terms of sales volume and the only manufacturer of this product in India and (iv) the biggest manufacturer of T2E globally in terms of production volume and the only manufacturer of this product in India. We have emerged as one the biggest competition and threats to the Chinese specialty chemical companies for these products and the Chinese customers are dependent on Aether for supplying these products *(Source: F&S Report)*.

The table below sets forth eight of our products, their application, our market position globally and in India, and product launch year.

Product	**Industry Application**	**Company Global Market Position (1)**	**Company India Market Position (1)**	**Launch Month / Year of the Product**
4-(2-Methoxyethyl) Phenol **(4MEP)**	Metoprolol Succinate / Metoprolol Tatrate	Largest manufacturer in the world	Only manufacturer in India	December 2016
3-Methoxy-2-Methylbenzoyl Chloride (**MMBC**) (2)	Methoxyfenozide	Second largest manufacturer in the world	Only manufacturer in India	September 2019
Thiophene-2-Ethanol **(T2E)**	Clopidogrel, Ticlopidine APIs	Largest manufacturer in the world	Only manufacturer in India	May 2017
N-Octyl-D-Glucamine / 1-Deoxy-1-(Octylamino)-D-Glucitol (**NODG**)	Naproxen, Dexketoprofen APIs	Largest manufacturer in the world	Only manufacturer in India	July 2015
1-2-(2Hydroxyethoxy) Ethyl Piperazine **(HEEP)**	Quetiapine, Hydroxyzine APIs	Largest manufacturer in the world	One of three major manufacturers, only manufacturer in India to be backward integrated into key raw material	May 2018
Delta-Valerolactone (**DVL**)	Coating additive, speciality monomer, electronic chemical	Second largest manufacturer in the world	Only manufacturer in India	September 2016
Bifenthrin Alcohol (**BFA**)	Bifenthrin	Among the top 6 companies in the world (approximately 10% of the market share in the global market)	Only manufacturer in India	August 2021

Notes:
(1) Market share by volumes as of CY 2022 (Source: F&S Report).
(2) MMBC and BFA are manufactured for our customer as part of our contract/exclusive manufacturing business model.

Focus on R&D to leverage our core competencies of chemistry, technology and systems

The foundation of our Company is our in-house research and development capabilities. Our strategic investments in R&D have been critical to our success and a differentiating factor for us to attain leading market positions for certain products *(Source: F&S Report)*.

Based on the technical expertise we have developed over the years, we are able to carry out innovative processes at global scale, which, is difficult to replicate, and creates significant barriers for new entrants *(Source: F&S Report).*

Our chemistry, technology and systems core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production with in-house design and engineering. Our in-house development (without the support from any clients for R&D) showcases our innovation and research strength, and our expertise in a large range of chemistries and technologies has allowed us to support a number of end use industries *(Source: F&S Report).* Examples of our chemistry core competencies include Grignards, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (homogeneous /heterogeneous), exothermic chemistry, cross coupling chemistry and olefin metathesis/polymerization chemistry. According to the F&S Report, for the competency of tandem Grignard and ethylene oxide chemistry, we have been a pioneer in Indian specialty chemicals markets, given that there are currently only four Indian companies in tandem Grignard and six Indian companies in ethylene oxide. Examples of our technology and systems core competencies include continuous reaction technology, batch reaction technology, high pressure reaction technology, fixed bed reaction technology, cryogenic reaction technology, distributed control system ("**DCS**") process automation and high vacuum distillation technology (wiped film/short path). We are one of the few companies in the specialty chemicals sector who has deployed continuous reaction technology as a core technology competency at all stages (R&D, Pilot Plant and large-scale manufacturing) *(Source: F&S Report).*

Our R&D Facilities are dedicated to the development of our pipeline and next generation products as well as to our CRAMS customers. As of March 31, 2023, we had a specialized R&D team of 233 scientists and engineers including 111 scientists (with PhDs or Master of Science and Bachelor of Science degrees) and 122 chemical engineers and as of March 31, 2022, we had a specialized R&D team of 164 scientists and engineers comprising of 92 scientists (with PhDs or Master of Science and Bachelor of Science degrees) and 72 chemical engineers. Our R&D laboratories are fitted with modern synthesis equipment including fume hoods, lab scale continuous and flow reactors and advanced separation equipment. In addition, our R&D labs are supplemented with modern analytical method development and quality control laboratories equipped with the entire suite of equipment necessary for modern organic chemistry research. We also have a state-of-art Pilot Plant, which is a vital link between R&D and large-scale production. Our Pilot Plant has a dual functionality; it functions to generate critical scale-up data in the transition from R&D to production to help eliminate issues at full production scale; and it also functions as a stand-alone manufacturing facility for low volume, high value products for our CRAMS customers. We have, in Fiscal 2023, expanded our R&D and Pilot Plant capacities by adding new fume hoods in R&D (which have increased from 17 in Fiscal 2022 to 55 in Fiscal 2023) and the reactors in Pilot Plant (which were over 100 in Fiscal 2022 to more than 200 in Fiscal 2023). We have one of the largest pilot plants in the world with 106 reactors installed, for both batch as well as continuous reaction technology *(Source: F&S Report).*

In Fiscal 2021, Fiscal 2022 and Fiscal 2023, our expenditures (revenue and capital in nature) incurred on research and development were ₹192.83 million, ₹392.60 million and ₹501.39 million, respectively, which represented 4.29%, 6.65% and 7.70%, respectively, of our revenue from operations.

Long standing relationships with a diversified customer base

Our customers include over 280 multinational, global, regional and local companies. As of March 31, 2023, our product portfolio was sold to more than 50 global customers in 21 countries and to more than 230 domestic customers. Our marquee customer base included 227 customers from the pharmaceutical industry, 19 customers from the agrochemical industry, 4 from the oil and gas industry, 2 from coatings industry, 1 from textile industry, 21 from material sciences industry, 4 from high performance photography industry and 56 from other sectors.

Of our revenue from operations in Fiscal 2023, our largest customer contributed approximately 14.01%; our top 10 customers contributed approximately 54.94%; and our top 20 customers contributed 69.92%. We enjoy relationships in excess of 5 years with 7 out of our top ten 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 with stronger purchasing power for raw materials and a lower cost base. These enduring customer relationships also have helped us expand our product offerings and geographic reach. Of our revenue from operations in Fiscal 2023, 59.46% was from India, 27.99% was from EU countries, 8.77% was from the North America (United States and Mexico), 3.78% was from Asia (excluding India) and 0.00% was from the rest of the world. Our diversified global customer base assists us in reducing our geographic dependence, which helps in mitigating the effects of economic and industry-specific cycles.

Our customer engagements are dependent on us delivering quality products consistently. Our potential customers may require considerable amounts of time to approve us as suppliers to ensure that all their quality controls are met and that we meet all their requirements across a variety of jurisdictions and multiple regulators. Due to the resources involved in engaging with new suppliers, customers are less inclined to pursue alternate supply sources. This provides us with an advantage over new entrants that would need to make significant investments and endure a long gestation period with potential customers in order to effectively compete. In Fiscal 2023, our facilities were audited 27 times by 24 customers or their external auditors. Additionally, our growing CRAMS business model also enables us to interact directly with the top echelons of technical and research teams and leadership (chief technology officers, technical directors and technical vice presidents) of the global leading innovator and multi-national companies across the industry, opening up future contract manufacturing opportunities for our Company *(Source: F&S Report).*

In addition to producing quality products and fulfilling orders and projects on-time, our approach, staff and corporate culture are attractive to customers. For example,

1. we offer our customers a one-stop-shop approach for the entire supply chain starting from paper research, contract research and lab process development (delivery of samples, gram scale, kg scale), pilot plant scale up and supply of customer sampling quantities, clinical and field trial quantities, and application testing quantities (100s kg scale to MT quantities), and finally commercial scale manufacturing and production quantities (100-1000s MT);
2. we have skilled expertise and manpower in necessary scientific and engineering disciplines;
3. we have "start-up" corporate culture that is ambitious and dynamic, and the average age of our staff is 31 years as of March 31, 2023;
4. our core team and highest management is technical in nature, and experts in the areas of organic chemistry and chemical engineering;
5. we focus on transparent communication and clean payment terms (LCs and PDCs); and
6. we emphasize safe processes and inherently safe manufacturing, and sound QEHS principles.

Synergistic Business Models focused on Large Scale Manufacturing, CRAMS and Contract Manufacturing

We have three business models under which we operate: (i) large scale manufacturing of our own intermediates and speciality chemicals; (ii) CRAMS (contract research and manufacturing services) and (iii) contract / exclusive manufacturing. We are among the few Indian specialty chemical companies to have successfully launched these three separate business models, that is, Large Scale Manufacturing, Contract Research/ Exclusive Manufacturing, and CRAMS (Contract Research and Manufacturing Services), in just 5 years into commercial manufacturing *(Source: F&S Report).*

These business models benefit from, and have synergies with, each other. For example, our customers to which we sell our own intermediates and speciality chemicals are also target customers for our CRAMS and contract manufacturing business models. Our CRAMS business allows us to work with innovative companies on cutting-edge new products with enhances our own R&D skill sets to develop our own products. Further, increasing our production through our contract manufacturing business allows us to benefit from larger scale production and negotiating better prices with our suppliers.

Automated manufacturing facilities utilizing advanced technologies and systems

Our manufacturing infrastructure, advanced technologies and automation are key growth drivers for our intermediates and speciality chemicals business. We have innovated the manufacturing process or product recipe for most of our products, thus making us leaders in many of our products we operate in *(Source: F&S Report).* We have three sites at Sachin in Surat. Our Manufacturing Facility 1 is an approximately 3,500 square meters facility including our R&D Facilities, our analytical sciences laboratories, our Pilot Plant, our CRAMS facility and our hydrogenation facility. Our Manufacturing Facility 2 spans approximately 10,500 square meters and acts as a large scale manufacturing facility with an installed capacity of 6,096 MT per annum (for our solvent recovery plant ("**SRP Plant**"): 13,140 MT) distributed among three buildings that host 16 production streams (and one SRP Plant Stream), as of March 31, 2023. Our capacity utilization was 70.98% (for our SRP Plant: 69.44%) as of March 31, 2023, as certified by Dr. Pankaj Jayantilal Gandhi, Chartered Engineer. Our Manufacturing Facility 3 spans over land admeasuring 5,250 square meters and acts as a large-scale manufacturing facility with an installed capacity of approximately 3,500 MT per annum. See "*—Manufacturing and R&D Facilities*" below. Each of our facilities is equipped to function independently, with its own quality department, effluent treatment plant and warehouse. In addition, all the facilities are in close proximity to the Hazira Port and JNPT Port, which helps us save freight costs for our exports. We have also acquired additional land next to the existing Manufacturing Facility 3, with the intention of extending the Manufacturing Facility 3 which now consist of 10,500 square meters. We have entered into an agreement for acquiring land for Manufacturing Facility 4 of 5,250 square meters at Sachin. We have acquired land for the Manufacturing Facility 5 of 125,874.64 square meters at Panoli GIDC, Bharuch District, Gujarat. We have applied for the regulatory approvals for the Manufacturing Facility 5 and have started the wall fencing work.

We have also acquired additional land next to the existing Manufacturing Facility 3, with the intention of extending the Manufacturing Facility 3 which now consist of 10,500 square meters. We have entered into an agreement for acquiring land for Manufacturing Facility 4 of 5,250 square meters at Sachin. We have acquired land of 125,874.64 square meters on a long-term lease for the Manufacturing Facility 5 of 125,874.64 square meters at Panoli GIDC, Bharuch District, Gujarat. We have applied for the regulatory approvals for the Manufacturing Facility 5 and have started the wall fencing work.

We have, in Fiscal 2023, expanded our R&D and Pilot Plant capacities by adding new fume hoods in R&D (which have increased from 17 in Fiscal 2022 to 55 in Fiscal 2023) and the reactors in Pilot Plant (which were over 100 in Fiscal 2022 to more than 200 in Fiscal 2023).

Our facilities employ advanced technologies and systems such as:

- Continuous Reaction Technology;
- Advanced Batch Reaction Technology;
- High Pressure Reaction Technology;

- Fixed Bed Reaction Technology (Liquid / Gas Phase);
- Cryogenic Reaction Technology;
- Distillation Technology (wiped film and short path); and
- Distillation Technology (high vacuum and fractional).

Additionally, our manufacturing facilities utilize DCS (distributed control system) for process automation. Our Pilot Plant and CRAMS operations use a Siemens PCS7 DCS and our manufacturing facilities use a Yokogawa Centum VP DCS. The automation brings reliability, reproducibility of product quality, reduces overhead costs, and brings inherent safety by mitigating exposure to human error and industrial accidents. We also have procured the ISO 9001:2015 certification for our Manufacturing Facility 1 and the ISO 14001:2015, ISO 45001:2018, ISO 27001:2013 and GMP certifications for our major operations at our Manufacturing Facility 2. In furtherance of our move towards sustainable business operations in a phased manner, we have obtained membership of UN Global Compact. We have been awarded with silver medal of EcoVadis in Fiscal 2023. Further, we are also the members of the Indian Chemical Council, which dedicated to the growth and promotion of the Chemical Industry in India.

*Contract Research and Manufacturing Services ("**CRAMS**")*

Our CRAMS business are the services that our customers outsource to us and include:

- Contract research;
- Pilot scale-up services;
- Contract manufacturing;
- Full time equivalent services;
- Technology development; and
- Process development and optimisation

We have a state-of-art Pilot Plant, which gives us a competitive advantage in attracting CRAMS customers. Our Pilot Plant has a dual functionality; it functions to generate critical scale-up data in the transition from R&D to production to help eliminate issues at full production scale; and it also functions as a stand-alone manufacturing facility for low volume, high value products for our CRAMS customers. Our Pilot Plant encompasses a wide range of reactors and downstream equipment, in both continuous and batch regimes, across the entire range of scale-up volumes, metallurgy, and process parameters and is automated through DCS process automation.

Our CRAMS customers work jointly with our scientists and engineers, and we execute their projects in our R&D Facilities, analytical sciences laboratories, and our Pilot Plant. Molecules developed in our CRAMS business for our customers have the potential to convert into regular commercial supplies and become large scale manufacturing products for our Company. In addition, our growing CRAMS business model also enables us to interact directly with the top echelons of technical and research teams and leadership (chief technology officers, technical directors and technical vice presidents) of the global leading innovator and multi-national companies across the industry, opening up future contract manufacturing opportunities for our Company *(Source: F&S Report).*

Contract Manufacturing / Exclusive Manufacturing

We also manufacture our customers' products under a contractual supply agreement-based model. These customer contracts are both short-term and long-term and involve both exclusive and non-exclusive arrangements. In Fiscal 2021, Fiscal 2022 and Fiscal 2023, revenues from our contract manufacturing business constituted 19.38%, 23.77% and 34.31%, respectively, of our revenues from operations. For example, we manufacture MMBC under a contractual supply agreement. MMBC was our largest product by revenue (₹976.42 million) and fourth largest- by volume (331.20 MT) in Fiscal 2023. *(Source: F&S Report)*

Examples of CRAMS Business Model leading to Contract Manufacturing / Exclusive Manufacturing Business Model

For example, our production of Delta-valerolactone (DVL), started as a CRAMS project for a major multinational client in the material sciences and coatings industrial sector. The customer had a single source for DVL and wanted to develop alternate sources. The customer initiated a CRAMS project with us. Within 12 months, we successfully developed the process to make DVL, utilizing our core chemistry competency of heterogeneous catalysis and our core technology competencies of continuous reaction technology, fixed bed reactor technology, and gas phase reaction technology. The CRAMS project ended with successful process development and the supply of a pilot scale quantity of 400 kg to the customer which was successfully validated. Subsequently, the customer has entered into a multi-year supply agreement with us for the commercial manufacturing and supply of the product of approximately 100 to 200 MT per year.

Another example of a CRAMS project converted into large scale manufacturing opportunity is a polymer product that started as a CRAMS project with a major multinational oil & gas company. The project started as a small research and CRAMS project, which we successfully executed utilizing our core chemistry competencies of inert atmosphere chemistry, homogeneous catalysis, and polymerization chemistry as well as Company's core technology competencies of high pressure reaction technology and continuous distillation technology / wiped film distillation technology. The entire CRAMS project was executed in less than 6 months, and subsequently this customer has entered into a 5 years supply agreement with us for large scale production and supply of the polymer product of approximately 100 MT per year.

Focus on Quality, Environment, Health and Safety

Our business is focused on sustainability by emphasizing on quality, environment, health and safety.

We believe that maintaining a high standard of quality for our products is critical to our brand and continued growth. Across our manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Our products adhere to global quality standards. Our products go through various quality checks at various stages including random sampling check and quality check internally. Many of our key customers have audited and approved our facilities and manufacturing processes in the past, which ensures that the regulator and our customers are able to confirm the continuance of quality of our facility and processes. In Fiscal 2023, our facilities were audited 27 times by 24 customers or their external auditors. In addition, our Manufacturing Facility 1 and Manufacturing Facility 2 have received certificate of ISO 14001 for Environment and ISO 45001 for Occupational Safety and ISO 27001 certification. As of March 31, 2023, we had an environmental team of 46 employees (constituting 5.17% of our workforce), 48 employees as part of our quality control and quality assurance team (constituting 5.39% of our workforce) and a safety team of 38 employees (constituting 4.27% of our workforce).

We are mindful of the potential impact of our activities on the local environment and have set stringent environmental standards, which meet regulatory requirements, and often exceed them. Our manufacturing principles and technologies embody the core tenets of "green" chemistry or sustainable chemistry. Principles of energy saving and conservation, atom economy and the 4R strategy (reduce / recover / recycle / reuse) are fundamental in our manufacturing designs and engineering. In addition, by employing cleaner chemistries, semi-continuous or continuous reaction technologies, and automation in the process, we distinguish our processes from conventional processes and optimize use of non-toxic raw materials, resulting in lower effluent generation. Further, as part of environment and sustainability efforts, we have installed a 100 KLPD in-house zero liquid discharge (ZLD) plant, which includes primary and secondary chemical neutralization, triple stage multiple effect evaporator (MEE), multiple mechanical vapor recompression (MVR) plants, multiple agitated thin film evaporators, multiple reverse osmosis (RO) plants and a soil biotechnology platform with ozonation.

To provide sustainable power for our operations, we have constructed a 16 MW solar power generation plant at Sarod Village, Bharuch District, Gujarat to provide electricity to our current operational three manufacturing facilities, which became operational in Fiscal 2023. We incurred approximately ₹ 651.59 million (including taxes) towards capital expenditure for this solar power project which was financed by our internal accruals. This Solar Power plant will cater to the day units of our electricity for Manufacturing Facility 1, Manufacturing Facility 2 and Manufacturing Facility 3 and will allow us to save considerable amount of our total electricity expenses at these three sites.

We prioritize the health and safety of our employees and undertake several initiatives to promote employee health and quality of life. We work to ensure a safe and healthy workplace and provide our employees with the benefits, resources and flexibility to maintain and improve their wellness. We undertake hazard and operability studies before commencing commercial production of new products. We have an in-house developed and engineered mobile application to assist coordination of our human resources, safety and emergencies. We also have a dedicated team of safety personnel including firemen, safety marshals and safety engineers. In addition, we have installed comprehensive safety equipment including firefighting and safety systems including 700 m^3 fire hydrant water storage, 271 m^3 main electrical pump and diesel pump, automated foam monitors and water sprinklers, and Pulse Position Modulation (PPM) detection for gas and solvent leakage. Our plant wide DCS automation system allows us to control our safety systems and processes. We have also taken the initiative of combining the fire hydrant water resources of 3 other neighbouring chemical companies to create a combined fire hydrant water reserve of over 2,000 m^3 capacity, available for the use of all participating companies.

Strong and consistent financial performance

In the short period of ten years of incorporation and six years into commercial manufacturing, we have reached revenue from operations of over ₹6,510.74 million in Fiscal 2023. We have built our business organically and have demonstrated consistent growth in terms of revenues and profitability. We are one of the fastest growing specialty chemical companies in India, growing at a CAGR of nearly 43.11% between Fiscal 2018 and Fiscal 2023 *(Source: F&S Report)*. Our revenue from operations have increased at a CAGR of 20.31% from ₹4,498.16 million in Fiscal 2021 to ₹6,510.74 million in Fiscal 2023. Our revenue from exports (including deemed exports) have grown at CAGR of 33.65% from ₹2,516.62 million in Fiscal 2021 to ₹4,495.04 million in Fiscal 2023.

In Fiscal 2021, Fiscal 2022 and Fiscal 2023, our operating EBITDA was ₹1,121.59 million, ₹1,681.07 million, and ₹1,862.51 million, respectively, while our operating EBITDA margins (excluding other income) in the same fiscals were 24.93%, 28.49% and

28.61%, respectively. Our profit after tax was ₹711.19 million, ₹1,089.29 million, and ₹1,304.15 million, for Fiscal 2021, Fiscal 2022 and Fiscal 2023, respectively, while our profit after tax margins were 15.67%, 18.25% and 19.53%, respectively, for the same fiscals.

During Fiscal 2021, Fiscal 2022 and Fiscal 2023, our ROCE was 28.50%, 23.96% and 14.28%, respectively, and our ROE was 40.79%, 28.16% and 10.48%, respectively.

Experienced Promoters and Senior Management with extensive domain knowledge

We are led by our Promoters comprising our Managing Director, Ashwin Jayantilal Desai, and our executive directors Purnima Ashwin Desai, Rohan Ashwin Desai and Dr. Aman Ashvin Desai, who have a combined experience of over 125 years in the chemical industry. Each of our Promoters is a career-technocrat and is actively involved in the critical aspects of our business, including R&D, process and plant engineering, finance and marketing. All four Promoters are involved in the day-to-day management of our Company.

Ashwin Jayantilal Desai is the founding Promoter and Managing Director of our Company. He holds a bachelor's degree in Chemical Engineering from Institute of Chemical Technology (ICT, formerly University Department of Chemical Technology, UDCT, Mumbai, 1974). He has been awarded the Distinguished Alumnus award by Indian Chemical Technology in 2010. Ashwin Desai has multiple decades of experience in the speciality chemical industry. Prior to incorporation of our Company, he was the founding member of Anupam Rasayan India Limited and was the Chairman and Managing Director of Anupam Rasayan India Limited till 2013. At our Company, Ashvin Desai is responsible for creating the overall vision of our Company and is actively involved in all techno-commercial departments. He focuses on innovative chemical engineering solutions for our R&D, pilot plant, and production processes and is also responsible for leading our core competency in continuous reaction and flow technology.

Dr. Aman Ashvin Desai is a Promoter and Whole Time Director of our Company. He is responsible for our R&D, pilot plant, and production operations, new projects, and technical business development, and has over ten years of experience in the speciality chemical industry. Dr. Aman Desai has a bachelor's degree in Chemical Technology (Intermediates and Dyestuff Technology, 2005) from Institute of Chemical Technology (ICT formerly known as University Department of Chemical Technology, UDCT, Mumbai) and has a Doctor of Philosophy (PhD) degree in Organic Chemistry (with a focus on chiral chemistry) from Michigan State University (USA, 2010). His doctoral research was published in the Journal of the American Chemical Society and was also featured in Chemical & Engineering News in 2010. Dr. Aman Desai was then a Project Leader in the Process Development group in Core R&D Headquarters at the Dow Chemical Company in Michigan (USA). Dr. Aman Desai has been awarded the UAA Young Achiever Award in 2018 in the UAA-ICT Distinguished Alumnus Awards from his alma mater, Institute of Chemical Technology, Mumbai, India. He is the author/co-author of 25 publications in international technical journals. He has been granted 4 patents in USA, and these patents are published worldwide. In Fiscal 2023, Dr. Aman was awarded with BW Disrupt 40 under 40 Achievers Award and he is now a part of the Elite Club of BW Disrupt Future Master 2022.

Rohan Ashwin Desai is a Promoter and Whole Time Director of our Company. He has extensive experience in the speciality chemical industry and looks after the entire commercial portfolio (including sales, finance, strategic procurements, human resources and systems) of our Company. He has a bachelor's degree in commerce (special) from South Gujarat University, Surat. Rohan Desai was previously a Director at Anupam Rasayan India Limited until 2013.

Purnima Ashwin Desai is a Promoter and Whole Time Director of our Company. With multiple decades of experience in the speciality chemical industry, she leads the overall accounting and finance operations of our Company. She has a bachelor's degree from the University of Delhi (1975). Purnima Desai was previously a Director at Anupam Rasayan India Limited until 2013.

We additionally benefit from the industry experience of Kamalvijay Ramchandra Tulsian, Non-Executive Director, Chairman of our Board, bringing experience in the chemicals business; Jeevan Lal Nagori, Non-Executive Independent Director, bringing experience in the pharmaceutical business; Arun Brijmohan Kanodiya (qualified Chartered Accountant), Non-Executive Independent Director; Leja Satish Hattiangadi, Non-Executive Independent Director, bringing experience in project implementation; Ishita Surendra Manjrekar, Non-Executive Director bringing extensive knowledge about construction and related chemical industries; Dr. Amol Arvindrao Kulkarni, Non-Executive Independent Director, bringing extensive knowledge about continuous reaction technologies; Rajkumar Mangilal Borana, Non-Executive Independent Director; and Jitendra Popatlal Vakharia, Non-Executive Independent Director, bringing their experience in textile industry and chemical industry, respectively.

Our senior management team is also experienced in the chemicals industry. The majority of our management team have spent more than 5 years each with our Company. Our senior management personnel include career-technocrats such as Dr. James Ringer, Raymond Paul Roach and Dr. Norbert Flüggen.

Dr. James Ringer is the Business Development Leader (Americas) of our Company. He holds a bachelor's degree in Science from Purdue University (USA) and a Doctor of Philosophy (PhD) degree in Organic Chemistry from University of Wisconsin (USA). He has multiple decades of experience in the chemical industry. Before joining our Company, Dr. James Ringer has previously worked at The Dow Chemical Company or its subsidiaries, for more than 30 years, in various positions including Director R&D, R&D Director II, and Leader R&D Director. He is the inventor / co-inventor on 22 patents granted in USA and published worldwide.

Raymond Paul Roach is the Business Development Leader (Americas) of our Company. He holds a bachelor's degree in Science and a master's degree in Chemical Engineering from the University of Pittsburgh (USA). He has multiple decades of experience in the chemical industry. Before joining our Company, Raymond Paul Roach has previously worked at The Dow Chemical Company (USA). Raymond Paul Roach is the inventor / co-inventor on 7 patents granted in USA and published worldwide.

Dr. Norbert Flüggen is the Business Development Leader (Europe) of our Company. He holds a diploma in Physics and a Doctorate of Natural Sciences (PhD) degree from the University of Hannover (Germany). He has multiple decades of experience in the chemical industry. Before joining our Company, Dr. Norbert Flüggen has previously worked at with ALTANA, AG, Germany.

We believe that the experience, depth and diversity of our directors, management team and our Promoters have enabled our Company to be recognized as a leading speciality chemical manufacturer in India. Their industry experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences.

For further information on our Promoters, Directors and senior management team, please see the section entitled "*Board of Directors and Key Managerial Personnel*" on page 245.

Our Strategies

Our key business strategies are set forth below.

Leverage our strong position in the speciality chemicals industry to capitalize on industry opportunities

From CY 2022 to CY 2028, the global chemicals market is expected to grow at a CAGR of 4.3% and the India Speciality chemical market at a CAGR of 10.3%, according to the F&S Report. This growth is expected to be led by sustained demand in the end-use customer segments for our intermediate and speciality chemical products or business, which are experiencing consumption-led growth in India and key global markets. For example, the agrochemicals and fertilizers speciality chemical segment in India is forecasted to grow from $30.2 billion in CY2022 to $56.2 billion in CY2028 and the pharmaceuticals speciality chemical segment in India is forecasted to grow from $12.4 billion in CY2022 to $24.7 billion in CY2028 *(Source: F&S Report).*

China's speciality chemicals market has seen a downturn in recent years due to various factors. Most prominent amongst these are the recent environmental norms introduced by the Chinese Government, which have led to shutdown of a number of chemical plants *(Source: F&S Report).* The tightening of the environmental norms has resulted in increase in operating costs, closure and relocation of manufacturing facilities along with rising labor costs. While these may not be permanent trends, these will involve significant costs of production for Chinese companies, enabling India to significantly strengthen its position in the global supply chain and position itself as a viable alternative for global players seeking a de-risked supply chain while retaining sourcing costs *(Source: F&S Report).* The recent downturn observed in China's speciality chemicals industry is serving as an opportunity for Indian manufacturers, who have now gained a cost advantage over their Chinese counterparts *(Source: F&S Report).*

Due to our market leadership position in a number of speciality chemical product areas, we are well positioned to capitalize on these market opportunities. The revenue for key products has grown much faster than the industry highlighting that we are able to take away market share from our competitors, which are mostly in China *(Source: F&S Report).* We benefit from our established relationships with multinational, regional and local customers. In particular, we propose to introduce new products with varied applications across industries. We aim to achieve this by leveraging our existing R&D capabilities, as well as by evaluating strategic acquisition opportunities. We also intend to capitalize on the growing demand for our products by expanding our manufacturing capacities and strengthening our sales and distribution network in existing markets and gaining access to newer markets. For example, we are committed to recruitment of advisers and consultants with a global pedigree, we have speaking engagements at international events & exhibitions, and we are increasing our local representative presence in major markets. Further, we aim to focus on high growth sectors and emerging trends in the speciality chemicals and our customers' end user industries. In this regard, we are witnessing significant opportunities to work with our customers to support them with new emerging trends in their industries. We also are looking to connect with existing and potential customers where we can support them with our CRAMS and contract / exclusive business models.

Expand our Product Portfolio and diversify into additional business segments

We plan to continue to expand our product portfolio both in line with our existing new competencies but also by adding new competencies. In the next three years, we expect to invest approximately ₹600.00 million towards R&D in the first year with an increasing trend of 10% to 15% in the next two years.

In addition, we intend to continue to add new core chemistry and technology competencies, which will lead to additional product line developments. For example, our R&D team is already evaluating the possibilities of adding fluorination as a core chemistry competency and photochemical reaction technology as a core technology competency.

We are also looking to diversify into additional business segments. For example, we are considering producing pharmaceutical active ingredients ("**APIs**"), which represents a forward integration for us from our current product spectrum of advanced intermediates. In such APIs, we would produce the key advanced intermediates ourselves and, thus, we will be backward integrated all the way to commodity chemicals. Another segment we are actively considering is the advanced organic silicone products market, which lends itself into high-end high-value applications in material sciences, coatings, advanced electronics and other similar applications.

Expand Manufacturing, R&D and Pilot Plant Capacities

To cater to the growing demand from our existing customers and to meet requirements of new customers, we intend to, and are in the process of, expanding our manufacturing capacities for existing products including 4MEP, BFA, other existing products, along with the new products launched at our Manufacturing Facility 3. We also intend to add manufacturing capacities for our new product line (discussed above) that we are in the process of developing and commercializing.

To achieve these expanded capacities, in August 2021, we commenced construction of a new manufacturing facility at a third site near our existing manufacturing facilities in Sachin. This new facility hosts four streams for production of new speciality chemicals and intermediates, which have applications in pharmaceutical, agrochemicals and material sciences. Manufacturing Facility 3 was commissioned and operational from January 2023 and we intend on further expanding the operations in our Manufacturing Facility 3 in Fiscal 2024.

Further, we have also acquired additional land next to the existing Manufacturing Facility 3, with the intention of extending the Manufacturing Facility 3 which now consist of 10,500 square meters. We have entered into an agreement for acquiring land for Manufacturing Facility 4 of 5,250 square meters at Sachin. We have acquired land of 125,874.64 square meters on a long-term lease for the Manufacturing Facility 5 at Panoli GIDC, Bharuch District, Gujarat. We have applied for the regulatory approvals for the Manufacturing Facility 5 and have started the wall fencing work.

We have, in Fiscal 2023, expanded our R&D and Pilot Plant capacities by adding new fume hoods in R&D (which have increased from 17 in Fiscal 2022 to 55 in Fiscal 2023) and the reactors in Pilot Plant (which were over 100 in Fiscal 2022 to more than 200 in Fiscal 2023).

We also intend to start the construction and expansion at the Manufacturing Facility 4 (first phase) in Fiscal 2024. Our Company has in Fiscal 2023, also added a warehouse admeasuring 1,484 square meters at Plot No. C-24/10, Hojiwala Industrial Estate, Sachin, Surat – 394 230, Gujarat, India.

In addition, we look to build strategic alliances with innovator companies across end-user industries. We expect that projects that may begin as CRAMS projects will lead to strategic associations for commercial large-scale manufacturing of products and possibly introducing additional manufacturing capacity.

Continue to strengthen our presence in India and expand our sales and distribution network in international markets

As of March 31, 2023, our product portfolio catered to more than 50 global customers in 21 countries and to more than 230 domestic customers. We enjoy relationships in excess of 5 years with seven out of our top ten customers in Fiscal 2023. We believe that the long-standing relationships that we have enjoyed with our customers over the years and the repeat and increased orders received from them are an indicator of our position as a preferred source as compared to our competition which is mostly located in China. In addition, we have an international sales and marketing team and business development team that is dedicated to taking new orders, quoting rates and aids in understanding the requirements of our customers. Our team consists of veterans of chemical industry, namely Raymond Paul Roach (Business Development Leader – Americas); Dr. James Ringer (Business Development Leader – Americas); and Dr. Norbert Flüggen (Business Development Leader – Europe).

Our new business development and marketing / sales is conducted with physical presence in 3 different continents (Asia / India by HQ, Europe / Germany by Dr. Norbert Flüggen, North America / USA by Dr. James Ringer and Raymond Paul Roach).

We intend to focus on increasing our wallet share with existing customers. We have built long-standing relationship with our customers through various strategic endeavours, which we intend to leverage by selling baskets of products to the same customers. In addition, we intend to continue to leverage our existing sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new multinational, regional and local customers.

We are expanding globally to serve our existing direct end-use customers as well as to secure new direct end-use customers and expand the reach of our products in new markets. We intend to achieve this by having dedicated sales and marketing teams whose primary focus will be on business development in international markets and in certain focus geographies, such as North America, South America and Europe. Our focus also will be to increase the number of stock points that we have globally and strengthen our sales team in India, North America, South America and Europe to ensure that we are able to deliver products to our customers in a timely manner.

Continue to focus on contract manufacturing / exclusive manufacturing by developing innovative processes and value engineering

We look to convert R&D (CRAMS) opportunities provided by our clients into large-scale contract manufacturing projects. We believe that by offering value engineering, developing innovative processes and undertaking our core competency chemistries in our contract manufacturing / exclusive manufacturing operations allows us to enter into long-term contracts with customers that provide assured product off-take and better margins, thereby helping improve our profitability. We aim at differentiating our operations from other CRAMS companies by developing in-house innovative processes, which we believe provides us with a better leverage in terms of pricing with the customers. Accordingly, we intend to continue developing in-house innovative processes for new complex chemistries, such as, glove box chemistries, Nobel prize winning metathesis chemistry and organo-silicon chemistry. We also continuously explore which of our existing products or processes are best suited for further innovation.

Further, we seek to continue to explore opportunities to enhance our existing customer relationships by undertaking CRAMS for new molecules. We believe our focus on value engineering by extending our process and chemistry expertise to enter into new value chains and replace the lower value products with higher value products in the same chemistry will enable us to service more of our customers' needs and increase our revenues from existing customers. By leveraging the long-standing relationships and repeat orders from our customers, we intend to capitalize on the significant cross-selling opportunities that higher value products offer. Further, we intend to focus on early-stage process innovation and development that we believe will enable us to capitalize on the complete lifecycle of these products and give us the opportunity to be the initial suppliers for such customized speciality chemicals and strengthen our relationships with multinational corporations.

Growth through strategic acquisitions and alliances

We will look for strategic acquisition targets in the United States and the EU for R&D and manufacturing assets that are in line with our existing or desired competencies. We also will look for opportunities to acquire businesses to add additional chemistry or technology competencies (for example, photochemistry) or to add business segments where we are currently not present (for example, cytotoxic compounds, advanced silicone products or active pharmaceutical ingredients and formulations). We are focused on identifying acquisition targets that will benefit from our management expertise, our core competencies and the scale of our operations.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections entitled "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 52, 85, 280, 265 and 298, respectively.

Issuer	Aether Industries Limited
Face value	₹ 10 per Equity Share
Issue Price	₹ 936.00 per Equity Share (including a premium of ₹ 926.00 per Equity Share)
Floor Price	₹984.90 per Equity Share, which has been calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company has offered a discount of ₹48.90 constituting 4.96% on the Floor Price in accordance with the approval of the Shareholders of our Company dated June 16, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of 8,012,820 Equity Shares, aggregating ₹ 7,500.00 million*. **Subject to Allotment of Equity Shares pursuant to the Issue.* A minimum of 10% of the Issue Size, i.e., 801,282 Equity Shares was made available for Allocation to Mutual Funds only and the balance 7,211,538 Equity Shares was made available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation to Mutual Funds, such portion or part thereof was Allotted to other Eligible QIBs
Date of Board resolution authorizing this Issue	May 6, 2023
Date of Shareholders' resolution authorizing this Issue	June 16, 2023
Taxation	See section entitled *"Statement of Possible Tax Benefits"* on page 301.
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form were delivered and who were eligible to bid and participate in this Issue. For further details, see sections entitled "*Issue Procedure*" and "*Selling Restrictions*" on pages 265 and 282, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Forms were delivered and this Placement Document will be delivered are determined by our Company in consultation with the BRLMs
Equity Shares issued and outstanding immediately prior to this Issue	124,510,721 Equity Shares
Equity Shares issued and outstanding immediately after this Issue	132,523,541 Equity Shares* **Subject to Allotment of Equity Shares pursuant to the Issue.*
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see section entitled "*Issue Procedure*" on page 265
Listing and trading	Our Company has obtained in-principle approvals from BSE and NSE on June 19, 2023, respectively, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to this Issue. Our Company will make applications to the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue.
Lock-up	For details of the lock-up, see section entitled "*Placement and Lock-up*" on page 280
Transferability restrictions	The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. Allotments made to VCFs, and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See sections entitled "*Issue Procedure*" and "*Selling Restrictions*" on pages 265 and 282, respectively
Use of proceeds	The gross proceeds from this Issue is approximately ₹ 7,500.00 million*. The net proceeds from this Issue, after deducting Issue related expenses is approximately ₹ 7,248.00 million. **Subject to Allotment of Equity Shares pursuant to the Issue.* See section entitled "*Use of Proceeds*" on page 85 for information regarding the use of Net Proceeds from this Issue
Risk factors	See section entitled "*Risk Factors*" on page 52 for a discussion of risks you should consider before investing in the Equity Shares
Indian taxation	See section entitled *"Statement of Possible Tax Benefits"* on page 301

Closing Date	The Allotment of the Equity Shares is expected to be made on or about June 22, 2023	
Ranking and Dividends	The Equity Shares to be issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of voting rights and dividends. The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in Shareholders' meetings in accordance with the provisions of the Companies Act. Please see sections entitled "*Dividends*" and "*Description of the Equity Shares*" on pages 98 and 298, respectively	
Voting Rights	See *"Description of Equity Shares – Voting Rights"* on page 299	
Security Codes/ Symbols for the Equity Shares	**ISIN**	INE0BWX01014
	BSE Code & Symbol	543534, AETHER
	NSE Symbol	AETHER

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information derived from our Audited Consolidated Financial Statements for Fiscal ended March 31, 2023, and Audited Standalone Financial Statements for Fiscals ended March 31, 2023, and March 31, 2022, and Special Purpose Audited Standalone Ind AS Financial Statements for the Financial Year ended March 31, 2021. For further details, please see section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*", on pages 99 and 309, respectively.

Unless otherwise indicated or the context otherwise requires, the financial numbers have been derived from our Audited Financial Statements.

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Standalone Summary Balance Sheet for Fiscals 2023, 2022 and 2021

(in ₹ million)

Particulars	As at March 31, 2023	As at March 31, 2022`	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	5,333.54	2,355.28	2,064.98
Capital work-in-progress	371.66	577.42	1.98
Right-of-use assets	1,122.55	211.21	91.74
Other intangible assets	5.83	4.49	5.61
Financial assets	29.61	25.30	17.43
(i) Investments	2.60	2.09	2.09
(ii) Other financial assets	27.01	23.20	15.34
Other non-current assets	184.68	426.64	12.42
Total non-current assets	**7,047.88**	**3,600.34**	**2,194.16**
Current assets			
Inventories	2,487.66	1,627.44	847.28
Financial assets	3,636.93	1,996.12	1,372.56
(i) Investments	10.01	170.11	220.90
(ii) Trade receivables	2,589.82	1,634.80	1,082.40
(iii) Cash and cash equivalents	708.64	33.39	35.14
(iv) Bank balances other than (iii) above	313.81	146.77	20.49
(v) Loans	11.38	8.36	7.92
(vi) Other financial assets	3.27	2.70	5.71
Other current assets	626.69	474.34	115.44
Total current assets	**6,751.28**	**4,097.90**	**2,335.28**
Total assets	**13,799.16**	**7,698.25**	**4,529.44**
Equity			
Equity share capital	1,245.11	1,126.91	100.99
Other equity	11,200.98	2,741.97	1,642.34
Total equity	**12,446.09**	**3,868.89**	**1,743.33**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	0.00	1,218.13	1,037.87
(ii) Lease liabilities	145.32	50.69	27.11

Particulars	As at March 31, 2023	As at March 31, 2022`	As at March 31, 2021
Deferred tax liabilities (net)	267.76	138.79	102.07
Total non-current liabilities	**413.08**	**1,407.61**	**1,167.05**
Current liabilities			
Financial liabilities			
(i) Borrowings	1.06	1,632.62	1,044.13
(ii) Lease liabilities	10.76	5.85	3.56
(iii) Trade payables	815.18	698.54	477.73
a) total outstanding dues of micro enterprises and small enterprises	191.09	211.19	89.35
b) total outstanding dues of creditors other than micro enterprises and small enterprises	624.09	487.35	388.38
(iv) Other financial liabilities	96.92	63.46	44.43
Other current liabilities	16.08	14.67	41.51
Provisions	0.00	0.00	0.00
Current tax liabilities (net)	0.00	6.61	7.70
Total current liabilities	**940.00**	**2,421.75**	**1,619.06**
Total liabilities	**1,353.08**	**3,829.37**	**2,786.11**
Total equity and liabilities	**13,799.16**	**7,698.25**	**4,529.44**

Standalone Summary Profit and Loss Statement for Fiscals 2023, 2022 and 2021

(in ₹ million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	6,510.74	5,900.47	4,498.16
Other Income	165.65	69.74	39.73
Total income	**6,676.39**	**5,970.21**	**4,537.89**
Expenses			
Cost of materials consumed operation and incidental cost	3,796.14	3,585.21	2,249.16
Changes in inventories of finished goods and work-in-progress	(622.76)	(704.88)	57.72
Employee benefits expense	344.57	270.44	221.13
Finance costs	50.93	131.21	113.15
Depreciation and amortisation expense	232.45	154.87	110.11
Other expenses	1,130.27	1,068.63	848.56
Total expenses	**4,931.60**	**4,505.48**	**3,599.83**
Profit before tax	**1,744.79**	**1,464.73**	**938.06**
Tax expense:			
Current tax	311.22	338.73	201.00
Deferred tax	129.39	36.72	25.87
Total Tax Expenses	**440.61**	**375.45**	**226.87**
Profit for the period (A)	**1,304.17**	**1,089.29**	**711.19**
Other comprehensive (loss)/ income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)	(1.67)	(1.98)	(0.86)
(i) Income tax relating to remeasurements of defined benefit liability / (asset)	0.42	0.50	0.22
	(1.25)	**(1.48)**	**(0.64)**
Total comprehensive income for the period (A+ B)	**1,302.93**	**1,087.81**	**710.55**
Earnings per equity share			
(nominal value of ₹ 10)			
Basic	10.47	9.67	7.36
Diluted	10.47	9.67	7.36

Standalone Summary Cash Flow Statement for Fiscals 2023, 2022 and 2021

(in ₹ million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities			
Profit before tax	1,744.79	1,464.73	938.06
Adjustments to reconcile profit before tax to net cash flows:			
Net unrealised foreign exchange (gain)/loss	3.85	(7.28)	0.90
Finance costs	50.93	131.21	113.15
Interest income	(74.31)	(4.68)	(1.00)
Income from Mutual Funds	(8.55)	(3.23)	0.00
Depreciation and amortisation expenses	232.45	154.87	110.11
Operating profit before working capital changes	**1,949.15**	**1,735.62**	**1,161.22**
Movement in working capital:			
(Increase)/Decrease in trade receivables	(955.02)	(552.40)	(468.46)
(Increase) / Decrease in current investments	160.10	50.79	(220.77)
(Increase)/Decrease in inventories	(860.22)	(780.16)	(127.89)
(Increase)/Decrease in other current assets	(152.35)	(358.90)	(33.61)
(Increase)/Decrease in other financial assets	(7.40)	(5.29)	(1.09)
Increase/(Decrease) in trade payables	116.64	220.81	97.45
Increase/(Decrease) in provisions other than income tax	0.00	0.00	(0.91)
Increase/(Decrease) in other current liabilities	1.41	(26.45)	26.03
Cash generated from operations	**252.31**	**284.03**	**431.97**
Net income tax (paid)	(317.84)	(338.45)	(200.01)
Net cash from operating activities (A)	**(65.52)**	**(54.42)**	**231.96**
B. Cash flows from investing activities			
Purchase of property, plant and equipment	(4,014.20)	(527.66)	(969.95)
Proceeds on sale/maturity of financial assets	0.00	0.00	0.00
Capital work in progress and capital advance	447.72	(989.66)	196.75
Dividend from current investments	82.86	7.90	1.00
Proceeds from disposal of property, plant and equipment	0.00	0.00	6.27
Loans (Financial assets)	(0.50)	0.00	0.00
Net cash used in investing activities (B)	**(3,484.13)**	**(1,509.41)**	**(765.93)**
C. Cash flows from financing activities			
Proceeds / (Repayment) from long-term borrowings	(1,510.33)	267.63	432.18
Proceeds / (Repayment) of borrowings (Unsecured)	(449.20)	323.50	15.10
Proceeds / (repayment) from working capital facilities (net)	(890.16)	177.62	194.06
Preferential allotment of Shares	1,300.00	1,031.80	0.00
IPO – allotment of Shares	6,270.00	0.00	0.00

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
ESOPs – allotment of Shares	9.00	0.00	0.00
IPO Expenses	(319.91)	0.00	0.00
Proceeds / (repayment) of Other Financial liabilities	33.46	19.03	25.41
Interest paid	(50.93)	(131.21)	(113.15)
Net cash used in financing activities (C)	**4,391.94**	**1,688.37**	**553.60**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**842.29**	**124.54**	**19.63**
Cash and cash equivalents at the beginning of the period / year	180.16	55.63	36.00
Cash and cash equivalents at the end of the period / year	**1,022.45**	**180.16**	**55.63**
Notes: -			
1. Cash and cash equivalents include			
Cash on hand	1.07	0.98	0.39
Balances with bank			
- Current accounts	1.61	0.01	0.15
- EEFC accounts	148.30	32.40	34.60
- Cash Credit accounts	557.66	0.00	0.00
Other bank balances	313.81	146.77	20.49
	1,022.45	**180.16**	**55.63**

Consolidated Summary Balance Sheet for Fiscals 2023

(in ₹ million)

Particulars	As at March 31, 2023
ASSETS	
Non-current assets	
Property, plant and equipment	5,333.54
Capital work-in-progress	371.66
Right-of-use assets	1,122.55
Other intangible assets	5.83
Financial assets	
(i) Investments	2.10
(ii) Other financial assets	27.02
Other non-current assets	184.70
Total non-current assets	**7,047.41**
Current assets	
Inventories	2,487.66
Financial assets	
(i) Investments	10.01
(ii) Trade receivables	2,589.82
(iii) Cash and cash equivalents	709.08
(iv) Bank balances other than (iii) above	313.81
(v) Loans	11.38
(vi) Other financial assets	3.27
Other current assets	626.72
Total current assets	**6,751.75**
Total assets	**13,799.16**
Equity	
Equity share capital	1,245.11
Other equity	11,200.95
Total equity	**12,446.06**
Liabilities	
Non-current Liabilities	
Financial Liabilities	
(i) Borrowings	0.00
(ii) Lease liabilities	145.32
Deferred tax liabilities (net)	267.76

Particulars	As at March 31, 2023
Total non-current liabilities	**413.08**
Current liabilities	
Financial liabilities	
(i) Borrowings	1.06
(ii) Lease liabilities	10.76
(iii) Trade payables	
a) total outstanding dues of micro enterprises and small enterprises	191.09
b) total outstanding dues of creditors other than micro enterprises and small enterprises	624.09
(iv) Other financial liabilities	96.94
Other current liabilities	16.08
Provisions	0.00
Current tax liabilities (net)	0.00
Total current liabilities	**940.02**
Total liabilities	**1,353.10**
Total equity and liabilities	**13,799.16**

Consolidated Summary Profit and Loss Statement for Fiscals 2023

(in ₹ million)

Particulars	For the year ended March 31, 2023
Income	
Revenue from operations	6,510.74
Other Income	165.65
Total income	**6,676.39**
Expenses	
Cost of materials consumed operation and incidental cost	3,796.14
Changes in inventories of finished goods and work-in-progress	(622.76)
Employee benefits expense	344.57
Finance costs	50.93
Depreciation and amortisation expense	232.45
Other expenses	1,130.30
Total expenses	**4,931.63**
Profit before tax	**1,744.76**
Tax expense:	
Current tax	311.22
Deferred tax	129.39
Total Tax Expenses	**440.61**
Profit for the period (A)	**1,304.15**
Other comprehensive (loss)/ income	
Items that will not be reclassified subsequently to profit or loss	
(i) Remeasurements of defined benefit liability / (asset)	(1.67)
(i) Income tax relating to remeasurements of defined benefit liability / (asset)	0.42
Other comprehensive (loss) / income (B)	**(1.25)**
Total comprehensive income for the period (A+ B)	**1,302.90**
Earnings per equity share	
(nominal value of ₹ 10)	
Basic	10.47
Diluted	10.47

Consolidated Summary Cash Flow Statement for Fiscals 2023

(in ₹ million)

Particulars	For the year ended March 31, 2023
A. Cash flow from operating activities	
Profit before tax	**1,744.76**
Adjustments to reconcile profit before tax to net cash flows:	
Net unrealised foreign exchange (gain)/loss	3.85
Finance costs	50.93
Interest income	(74.31)
Income from Mutual Funds	(8.55)
Depreciation and amortisation expenses	232.45
Operating profit before working capital changes	**1,949.12**
Movement in working capital:	
(Increase)/Decrease in trade receivables	(955.02)
(Increase) / Decrease in current investments	160.10
(Increase)/Decrease in inventories	(860.22)
(Increase)/Decrease in other current assets	(152.38)
(Increase)/Decrease in other financial assets	(7.41)
Increase/(Decrease) in trade payables	116.64
Increase/(Decrease) in provisions other than income tax	0.00
Increase/(Decrease) in other current liabilities	1.40
Cash generated from operations	**252.24**
Net income tax (paid)	(317.83)
Net cash from operating activities (A)	**(65.59)**
B. Cash flows from investing activities	
Purchase of property, plant and equipment	(4,014.20)
Proceeds on sale/maturity of financial assets	0.00
Capital work in progress and capital advance	447.70
Dividend from current investments	82.86
Proceeds from disposal of property, plant and equipment	0.00
Loans (Financial assets)	(0.00)
Net cash used in investing activities (B)	**(3,483.65)**
C. Cash flows from financing activities	
Proceeds / (Repayment) from long-term borrowings	(1,510.33)
Proceeds / (Repayment) of borrowings (Unsecured)	(449.20)

Particulars	For the year ended March 31, 2023
Proceeds / (repayment) from working capital facilities (net)	(890.16)
Preferential allotment of Shares	1,300.00
IPO - allotment of Shares	6,270.00
ESOP - allotment of Shares	9.00
IPO Expenses	(319.91)
Proceeds / (repayment) of Other Financial liabilities	33.48
Interest paid	(50.93)
Net cash used in financing activities (C)	**4,391.96**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**842.73**
Cash and cash equivalents at the beginning of the period / year	180.16
Cash and cash equivalents at the end of the period / year	**1,022.89**
Notes:-	
1. Cash and cash equivalents include	
Cash on hand	1.07
Balances with bank	
- Current accounts	2.05
- EEFC accounts	148.30
- Cash Credit accounts	557.66
Other bank balances	313.81
	1,022.89

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we currently operate. We have described the risks and uncertainties that our management believes are material, but the risks set out in this Placement Document may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in future. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company and Subsidiary, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 215, 128 and 99, respectively, as well as the financial, statistical and other information contained in this Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and the terms of this Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise stated, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to Aether Industries Limited and our Subsidiary, on a consolidated basis, and references to "the Issuer" are to Aether Industries Limited.

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 Placement Document also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. For details, see "Forward-Looking Statements" on page 16.

Our fiscal year ends on March 31 of each year. Accordingly, references to "Fiscal", are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for Fiscal 2023 and Fiscal 2022 have been extracted from our Audited Standalone Financial Statements beginning on page 318 and the financial information for Fiscal 2021 have been extracted from our Special Purpose Audited Standalone Ind AS Financial Statements beginning on page 391.

The industry-related information contained in this section is derived from the F&S Report. We have commissioned and paid for the F&S Report pursuant to an engagement letter dated May 12, 2023, for the purposes of confirming our understanding of the industry in connection with this Issue.

Risks Relating to our Business

1. Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations could have an adverse effect on our business, financial condition and results of operations.

We conduct our operations through three manufacturing facilities at Sachin in Surat, Gujarat. Our Manufacturing Facility 1 is an approximately 3,500 square meters facility for our R&D activities, our analytical sciences, our pilot plant, our CRAMS facility and our hydrogenation facility. Our Manufacturing Facility 2 is an approximately 10,500 square meters facility and acts as a large-scale production facility. Our Manufacturing Facility 2 also includes our Registered and Corporate Office. Our Manufacturing Facility 3 spans over land admeasuring 5,250 square meters and acts as a manufacturing facility for our large-scale manufactured products. Further, we intend on expanding our Manufacturing Facility 3 and set up two additional manufacturing facilities with the aid of the proceeds obtained from this Issue. For details, see *"Use of Proceeds"* on page 85. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery, our equipment, our reactors, our automation systems, our IT systems or any other part of our manufacturing processes or systems (together, our "**Manufacturing Assets**") may entail significant repair and maintenance costs and cause delays in our operations. While we have not had such instances during the last three Financial Years (Fiscal 2021 to Fiscal 2023) where our Company was affected, we cannot assure you that we shall not experience any malfunction or temporary shutdown or failure in power cut or breakdown of our Manufacturing Assets in the future. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

As of March 31, 2023, we had 889 employees (excluding trainees) and 266 contract workers and trainees. Success of our operations depend on availability of labour and good relationships with our labour force. As of the date of this Placement Document, our employees are not members of any organised labour unions. Strikes and lockouts as a result of disputes with our labour force may adversely affect our operations. While we have not had instance of strikes, lockouts or labour disputes in the past three fiscals, we cannot assure you that we shall not experience any strikes or lockouts on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations. In addition, we also may face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

Although we have not faced any instances in the past, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved.

Although we have not experienced any significant disruptions at our manufacturing facilities in the past three fiscals, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, financial condition and results of operations.

2. ***We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances.***

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances such as phenol, hydrogen, ethylene oxide, isobutylene gas, tetrahydrofuran, methanol, toluene and methylene dichloride amongst others, and we are required to obtain approvals from various authorities for storing hazardous substances. We are subject to operating risks associated with handling of such hazardous materials such as possibility of leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage and environmental contamination. While we have not had such instances during the last three Financial Years (Fiscal 2021 to Fiscal 2023) where our Company was affected, we cannot assure you that we will not experience operating risks associated with handling of such hazardous materials in the future. In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences may result in the shutdown of one or more of our manufacturing facilities and expose us to civil and / or criminal liability which could have an adverse effect on our business, financial condition and results of operations. Further, such occurrences may result in the termination of our approvals for storing such substances or penalties thereunder. Moreover, certain environmental laws impose strict liability for accidents and damages resulting from hazardous substances and any failure to comply with such laws may lead to closure, penalties, fines and imprisonment.

3. ***We derive a significant part of our revenue from major customers and we do not have long term contracts with all of these customers. If one or more of such customers choose not to source their requirements from us or to terminate our long-term contracts, our business, financial condition and results of operations may be adversely affected.***

Our customer base currently comprises a host of multinational and domestic companies. Of our revenue from operations in Fiscal 2023, our largest customer contributed approximately 14.01%. Revenue from our top 20 customers and contribution of our top 20 customers to our revenue from operations is as provided below:

Fiscal/ Period	Revenue from top 20 customers (amount in ₹ million)	% contribution of top 20 customers to revenue from operations
2021	3,306.30	73.50%
2022	4,324.98	73.30%
2023	4,552.43	69.92%

We expect that we will continue to be reliant on our major customers for the foreseeable future. Accordingly, any failure to retain these customers and/or negotiate and execute contracts on terms that are commercially viable, with these select customers, could adversely affect our business, financial condition and results of operations. In addition, any defaults or delays in payments by a major customer or the insolvency or financial distress by a major customer may have an adverse effect on business, financial condition and results of operations. While there have been no past instances during the last three Financial Years (Fiscal 2021 to Fiscal 2023) of any defaults or delays in payments by a major customer or the insolvency or financial distress by a major customer, we cannot assure you that we will not experience such risks in future.

We have a number of supply arrangements with customers which are linked to a formula-based pricing structure and are valid for a few months, ranging from one month to six months. Our supply arrangements may be terminated at the end of their terms or on the basis of the notice provided by the customer to us. Such terminations, however, is done on mutual discussion between our Company and the customers. Notwithstanding, the termination of supply arrangements could adversely affect our business, financial condition and results of operations.

For other customers, we instead rely on purchase orders to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories.

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. Further, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

Additionally, our customers typically expect high and stringent standards for product quality and quantity as well as delivery schedules. Any failure to meet our customers' expectations could result in the cancellation or non-renewal of contracts or purchase orders. While there have been no instances during the last three Financial Years (Fiscal 2021 to Fiscal 2023) of failure by us to meet customer standards in relation to product quality or delivery schedules, we cannot assure you that any such event will not occur in future. There are also a number of factors, other than our performance that could cause the loss of a customer, which include those customers who may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, or replace their existing products with alternative products, any of which may have an adverse effect on our business, financial condition, results of operations and prospects.

4. ***Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations.***

Our operations are subject to various risks inherent to the chemicals industry and to the sale and maintaining inventory of products, as well as other risks such as theft, robbery, acts of terrorism and other force majeure events. We maintain sufficient insurance coverage for anticipated risks which are standard for our type of business and operations. As of March 31, 2023, we had a total insurance coverage of ₹30,657.39 million, aggregating to 100% or more of our total fixed assets and inventories. Our insurance policies cover our manufacturing facilities, R&D facilities, warehouses and offices from losses in the case of natural calamities, fire, special perils, burglary and theft. We have also obtained inventory insurance for our products, insurance for liabilities and losses incurred during implementation of our various projects, and directors' and officers' liability insurance. We have also obtained the commercial general liability insurance, which protects us for the damages which may occur to any neighbouring companies / industries or any other third party from any kind of adverse event that may occur.

Further, we have also taken insurance for the cyber-crime and criminal policy. All our incoming and outgoing material (for purchase and sales) from / to anywhere in the world are fully insured. We have also covered our equipment like mobile phones, laptops, computers and other gadgets by an equipment policy. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected. For further details of insurance, see "*Our Business*" on page 215.

5. Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, financial condition and results of operations. We have, in the past, failed to make a regulatory filing in a timely manner with the MCA under applicable law.

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, processing, handling, storage, transport or disposal of hazardous substances including employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our R&D and manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. Any accident at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials 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 or third parties. Any of the foregoing could subject us to legal proceedings, which could lower our profits in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

Our operations, particularly at our manufacturing facilities, are subject to stringent scrutiny, inspection and audit from third party environmental agencies, including governmental authorities to ensure our compliance with applicable laws and regulations. While we have not received any notice stemming from any scrutiny, inspection, audit or otherwise from any regulatory authorities, we cannot assure you that no notices will be issued by any regulatory authority in the future. Moreover, these notices may also culminate in legal proceedings in the future, for which, we cannot assure you that fines, penalties or damages will not be imposed on us pursuant to such notices. Such notices may also result in a temporary shutdown of the manufacturing facilities.

Furthermore, if the authorities deem that our responses do not sufficiently address the concerns raised in these notices, there is also a possibility that the environmental authorities may cancel, suspend or withdraw the approvals, permits or consents granted to us or may order the closure of the manufacturing unit until the concerns are sufficiently addressed or remedied. In the event that such environmental notices result in litigations, fines or the cancellation of our licenses, it could adversely affect our business, financial condition and results of operations.

We are also required to obtain permits from governmental authorities for certain aspects of our operations. These laws, regulations and permits often require us to purchase and install expensive pollution control equipment or to make operational changes to limit impacts or potential impacts on the environment and / or health of our employees. Further, our compliance with these laws and regulations and our obtaining the necessary governmental permits are often a prerequisite for customer orders.

We have in the past delayed in making certain regulatory filings under applicable law beyond the prescribed timelines. A Form MGT-14 was initially filed on January 28, 2016 (“**Initial Form MGT-14**”) with the MCA for a special resolution passed by the Shareholders in their EGM held on January 12, 2016, in connection with the issuance of 25,000,000 8% cumulative redeemable preference shares under section 42 and 61(1)(c) of the Companies Act. Thereafter, the Initial Form MGT-14 was rectified to 25,000,000 8% cumulative redeemable preference shares, optionally convertible in nature, under section 42, 55 and 61(1)(c) of the Companies Act, which inadvertently contained a clerical error of omitting the terms of conversion of the Preference Shares in the special resolution attached to the Initial Form MGT14. An application for correction therein was filed through Form CG-1 with the MCA on December 4, 2021, requesting: a) condonation of the said delay under the Companies Act, 2013 and b) that the RoC be directed to register the rectified extracts of the special resolution dated January 12, 2016 along with a new Form MGT-14. Subsequently, the aforementioned forms CG-1, INC-28 and MGT-14 are now approved without any penalty / fine and registered with the RoC as per order of CG-1.

With the expansion of our operations there can be no assurance that such non-compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such non-compliances, in a timely manner or at all.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production, or a material increase in the costs of production.

6. Any downgrade of our debt ratings could adversely affect our business.

As of the date of this Placement Document, we have received the following credit ratings on our debt and credit facilities.

Instrument or Rating Type	Amount (₹ in million)	Date	Ratings
Long Term Rating	2,750.00	May 6, 2023	CRISIL A / Stable
Short Term Rating			CRISIL A1

These ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. There can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

7. Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business.

As part of our strategy aimed towards business growth and improvement of market position, we intend to implement several business strategies, which include:

1. Leverage our strong position in the specialty chemicals industry to capitalize on industry opportunities;
2. Expand our product portfolio and diversify into additional business segments
3. Expand manufacturing, R&D and pilot plant capacities;
4. Continue to strengthen our presence in India and expand our sales and distribution network in

international markets;

5. Continue to focus on contract manufacturing / exclusive manufacturing by developing innovative processes and value engineering;

6. Put more and more steel on ground by procuring more plots of land in order to expand our business by introducing new products across our three business models; and

7. Growth through strategic acquisitions and alliances.

Our strategy may not succeed due to various factors, including our inability to reduce our debt and our operating costs, our failure to develop new products and services with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our technology and strategic partners, our failure to effectively market these new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, automation, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. While we believe we have been largely successful in implementing our business strategies, any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, financial condition and results of operations. For further details of our strategies, see "*Our Business*" on page 215.

8. Our reliance on certain industries for a significant portion of our sales could have an adverse effect on our business.

Generally, our intermediates and specialty chemicals cater to the various industries such as the pharmaceuticals industry, agrochemicals industry and oil and gas industry, as well as the industries catering to material science, food additives, coatings and high-performance photography. Consequently, our revenues are dependent on the end user industries that use our products as an input. The table set forth below provides customer segment split of our revenue from operations and as a percentage of revenue from operations in Fiscal 2021, Fiscal 2022 and Fiscal 2023.

Customer Segment	**Fiscal 2021**		**Fiscal 2022**		**Fiscal 2023**	
	₹ million	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**
Pharmaceuticals	3,041.90	67.62%	3,513.26	59.54%	2,744.05	42.15%
Agrochemicals	926.50	20.60%	1,456.19	24.68%	2,261.72	34.74%
Material Science	195.90	4.36%	248.20	4.21%	319.33	4.90%
High Performance Photo	125.80	2.80%	283.77	4.81%	371.85	5.71%
Coatings	124.80	2.77%	195.31	3.31%	218.35	3.35%
Multiple Use	82.66	1.84%	126.66	2.15%	567.63	8.73%
Food Additives	0.60	0.01%	22.96	0.39%	3.55	0.05%
Oil & Gas	0.00	0.00%	54.12	0.92%	24.26	0.37%
Other	0.00	0.00	0.00	0.00%	0.00	0.00%
Total	**4,498.16**	**100.00%**	**5,900.47**	**100.00%**	**6,510.74**	**100.00%**

Factors affecting any of these industries in general, or any of our customers in particular, could have a cascading adverse effect on our business, financial condition and results of operations. Such factors include, but are not limited to, the following:

(i) seasonality of demand for our customers' products, which may cause our manufacturing capacities to be underutilised during specific periods;

(ii) our customers' failure to successfully market their products or to compete effectively;

(iii) change in any registration requirements or non-renewal of registrations or imposition of a regulatory ban, or trade sanctions imposed across the country or any such restrictions on the business or product or customer's final product;

(iv) loss of market share, which may lead our customers to reduce or discontinue the purchase of our products;

(v) economic conditions of the markets in which our customers operate;

(vi) regulatory issues faced by these industries in India and internationally;

(vii) downturns or industry cycles that impact demand; and

(viii) changes in technology or consumer tastes and requirements that alter demands for our products.

For any of the above reasons or for any other reason whatsoever, in the event sales to our customers were to substantially decrease, our business, financial condition and results of operations could be adversely affected.

9. We rely on a combination of trademark, trade secret, copyright law and contractual restrictions to protect our intellectual property. We do not own any patents. If we are unable to protect our intellectual property rights, our business, financial condition and results of operations may be adversely affected.

The protection of our intellectual property is crucial to the success of our business. We rely on a combination of trademark, trade secret, and copyright law and contractual restrictions to protect our intellectual property. We do not own any patents. While our agreements with our employees and consultants who develop our intellectual property including our proprietary intermediates and specialty chemical products, technology, systems and processes on our behalf include confidentiality provisions and provisions on ownership of intellectual property developed during employment or specific assignments, as applicable, these agreements may not effectively prevent unauthorized use or disclosure of our confidential information, our intellectual property including our proprietary products, technology, systems and processes and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information or infringement of our intellectual property. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our proprietary products, technology, systems and processes and use information that we consider proprietary. In addition, unauthorized parties may also attempt, or successfully endeavour, to obtain our intellectual property, confidential information, and trade secrets through various methods, including through cybersecurity attacks, and legal or other methods of protecting this data may be inadequate. In addition, our trade secrets may become known or independently developed by our competitors, and in such cases, we may no longer enjoy the exclusive use of some of our formulations or maintain the confidentiality of information relating to our products.

We may need to litigate to protect our intellectual property or to defend against third party infringement. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. Any inability to use or protect our intellectual property could affect our relationships with our customers, which could materially and adversely affect our brand, business, financial condition and results of operations.

10. Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies.

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollars. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees, particularly the U.S. Dollar. During Fiscal 2021, Fiscal 2022 and Fiscal 2023, our revenues from our exports (excluding deemed exports) amounted to ₹2,278.25 million, ₹2,779.52 million and ₹2,920.37 million, respectively, which constituted 50.65%, 47.11% and 44.85%, respectively, of our revenues from operations. Further, in Fiscal 2021, Fiscal 2022 and Fiscal 2023, the cost of raw material imports was ₹1,062.49 million, ₹1,116.62 million and ₹1,532.27 million, respectively, which constituted 47.47%, 33.06% and 41.16%, respectively, as a percentage of overall raw material purchase cost. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. We are affected primarily by fluctuations in exchange rates among the U.S. dollar and the Indian Rupees, and our business, results of operations and financial condition may be adversely affected by fluctuations in the value of the Indian Rupees against the U.S. Dollar or other foreign currencies. Additionally, we have earned gains due to these fluctuations in foreign currency in Fiscal 2021, Fiscal 2022 and Fiscal 2023 of ₹18.32 million, ₹18.37 million and ₹36.65 million, respectively. These gains were related to instances where the market exchange rate at the time of transaction was in our favour or against us as compared to the rates we had applied when the transactions were accounted. For further information on our exchange rate risk management, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Principal Factors Affecting our Results of Operations – Foreign Exchange Rate Risk*" on page 99.

11. We are dependent on our R&D activities for our future success. If we do not successfully develop new products or continue our product portfolio expansion in a timely and cost-effective manner, our business, financial condition, cash flows and results of operations may be adversely affected.

We are dependent on our R&D activities and scientists at our R&D facilities for our future success. In the Fiscal 2021, Fiscal 2022 and Fiscal 2023, our R&D expenses (capital as well as revenue in nature) were ₹192.83 million, ₹392.60 million and ₹501.39 million, respectively, which represented 4.29%, 6.65% and 7.70% of our revenue from operations, respectively. In addition, in Fiscal 2021, Fiscal 2022 and Fiscal 2023, our capital expenditure on R&D was ₹79.38 million, ₹287.34 million and ₹343.64 million, respectively. Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. In addition, our CRAMs business is dependent our R&D capabilities to assist our customers on their projects including development of their products. Further, as part of our business strategies, we intend to further diversify our product portfolio by entering into new product value chains. In addition, we intend to expand our capacities in existing products as well as expanding and strengthening our research capabilities in order to ensure rapid product innovation. Innovation continues to be the key determinant for our success. The development and commercialisation of new products (whether ours or our customers' products) are complex, time-consuming, costly and involves a high degree of business risk. We may be unable to successfully create these new products or encounter unexpected delays in the launch of these products and even if launched as planned, such products may not perform as we expect.

The success of our new product offerings will depend on several factors, including our ability to properly anticipate customer needs; obtain timely regulatory approvals; establish collaborations with suppliers and customers; develop and manufacture our products in a timely and cost-effective manner through our R&D efforts; and successfully market and sell our products. In addition, the development and commercialisation of new products is characterised by significant upfront costs, including costs associated with R&D, product development activities, obtaining regulatory approvals, building inventory and sales and marketing. Our planned investments in new manufacturing facilities and equipment for future expansion could result in higher costs, especially in the event of cost overruns, without a proportionate increase in revenues.

Additionally, some of our competitors in the speciality chemicals segment may have greater financial, research and technological resources. They may also be in a better position to identify market trends, adapt to changes in industry and offer innovative new products.

Accordingly, if we do not successfully develop new products or continue our product portfolio expansion in a timely, cost-effective manner that is attractive to our customers, our business, financial condition, cash flows and results of operations may be adversely affected.

12. Certain sections of this Placement Document contain information from the F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in this Issue is subject to inherent risks.

Certain sections of this Placement Document include information based on, or derived from, the F&S Report or extracts of the F&S Report commissioned by our Company exclusively for the purpose of this Issue pursuant to the engagement letter dated May 12, 2023, and prepared by F&S, which is not related to our Company, Directors or Promoters. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with this Issue. All such information in this Placement

Document indicates the F&S Report as its source. Accordingly, any information in this Placement Document derived from, or based on, the F&S Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. Further, the F&S Report is not a recommendation to invest / disinvest in any company covered in the F&S Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in this Issue pursuant to reliance on the information in this Placement Document based on, or derived from, the F&S Report. You should consult your own advisors and undertake an independent assessment of information in this Placement Document based on, or derived from, the F&S Report before making any investment decision regarding this Issue. See "*Industry Overview*" on page 128. For the disclaimers associated with the F&S Report, see "*Presentation of Financial and Other Data*" on page 13 and *"Industry and Market Data"* on page 15.

13. ***Our success largely depends upon the knowledge and experience of our Promoters, Directors, our Key Managerial Personnel and our Senior Management Personnel as well as our ability to attract and retain personnel with technical expertise. Any loss of our Promoters, Directors, Key Managerial Personnel, Senior Management Personnel or our ability to attract and retain them and other personnel with technical expertise could adversely affect our business, financial condition and results of operations.***

Our success largely depends upon the knowledge and experience of our Promoters, Directors, Key Managerial Personnel and our Senior Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Promoters, Directors, Key Managerial Personnel and our Senior Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations. We depend on the management skills and guidance of our Promoters for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel and our Senior Management Personnel. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Key Managerial Personnel or Senior Management Personnel are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business, financial condition and results of operations could be adversely affected.

In addition, we may require a long period of time to hire and train replacement personnel when personnel with technical expertise terminate their employment with us. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining personnel with technical expertise that our business requires.

There is significant competition for management and other skilled personnel in the chemicals industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Placement Document, we do not have key man insurance policies except for our Managing Director. We have group term insurance for all our employees, wherein we are covering the lives of all our employees (with cost to our Company above ₹0.42 million per annum) with 10 times of their cost to our Company and for employees (with cost to our Company less than ₹0.42 million) with 5 times of their cost to our Company. These are taken for all the Key Managerial Personnel as well. In the event that we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected. For further information, see "*Board of Directors and Key Managerial Personnel*" on page 245.

14. ***Grants of stock options under our employee stock option plans may result in a charge to our statement of profit loss and, to that extent, adversely affect our business, financial condition and results of operations.***

We may issue stock option from time to time under our employee stock option plans and such issuances may result in a charge to our statement of profit and loss under Ind-As and any such charge may have an adverse effect on affect our business, financial condition and results of operations. For further details, see "*Capital Structure – Aether Industries Limited - Employee Stock Option Scheme 2021 ("**AIL ESOS 2021**")*" on page 95.

15. ***We do not have long-term agreements with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business, financial condition and results of operations.***

In Fiscal 2021, Fiscal 2022 and Fiscal 2023, our cost of goods sold (cost of materials consumed and changes in inventories of finished goods and work-in-progress) was ₹2,306.88 million, ₹2,880.33 million, and ₹3,173.39 million, respectively, which represented 51.28%, 48.82% and 48.74% of our revenue from operations, respectively. We source a significant amount of the raw materials that we use in our business from India, Japan, Europe, Taiwan and China. In addition, 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. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require, and we may be unable to pass these costs onto our customers, which may reduce our profit margins. We face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, may adversely affect our business, financial condition and results of operations.

16. ***We are subject to strict quality requirements, regular inspections and audits by our customers, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our business, financial condition, results of operations and prospects.***

We develop, manufacture and market a diverse range of advanced intermediates and speciality chemicals which have applications in the pharmaceutical, agrochemicals, material science, coatings, high performance photography, food additives and oil & gas segments of the chemical industry. Our customers maintain strict qualification and/or certification procedures. Our products go through various quality checks at various stages including random sampling check and quality check internally. Many of our key customers have audited and approved our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. These successful audits play a critical role in customer retention, and any issues that arise in the course of these audit may lead to loss of the particular customer. Further, failure of our products to meet prescribed quality standards may result in rejection and reworking of our products. This may result in our customers cancelling present or future purchases of our products and could adversely affect our business, financial condition and results of operations.

We also have procured the ISO 9001:2015 certification for our Manufacturing Facility 1 and the ISO 14001:2015, ISO 45001:2018, ISO 27001:2013 and GMP certifications for our major operations at our Manufacturing Facility 2. In furtherance of our move towards sustainable business operations in phased manner, we have obtained membership of UN Global Compact and the Indian Chemical Council. We have been awarded with silver medal of EcoVadis in Fiscal 2023. While we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our prescribed quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. While we have not faced such challenges in past, any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, financial condition, results of operations and prospects.

17. ***We require various licenses and approvals for undertaking our businesses and the failure to obtain or renew such licenses or approvals in a timely manner, or at all, may adversely affect our operations.***

Our business operations are subject to various laws, the compliance of which is supervised by multiple regulatory authorities and government bodies. In order to conduct our business, we are required to obtain multiple licenses, approvals, permits and consents. Additionally, our government approvals and licenses are subject to numerous conditions, some of which are onerous including making an application for amending the existing approval and require us to make substantial expenditure. Most of these approvals and licenses are subject to ongoing inspection and compliance requirements and are valid only for a fixed period of time subject to renewals and accreditations. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. If we fail to renew, obtain or retain any of such approvals, in a timely manner, or at all, our business and operations may be adversely affected. There are certain approvals for expansion of Manufacturing Facility 3 and for setting up of Manufacturing Facility 4 and Manufacturing Facility 5 which our Company has applied for or are yet to be applied for which application will be made in the ordinary course of business. There is no assurance that we will be able to receive such approvals in a timely manner or at all.

18. ***All of our manufacturing facilities are located in Gujarat exposing us to regulatory and other geography specific risks such as labour unrests, terrorist attacks, other acts of violence and occurrence of natural and man-made disasters.***

All of our manufacturing facilities (which includes our R&D Facilities and Pilot Plant) are located at Sachin in Surat, Gujarat. Additionally, our expansion plans are proposed to be undertaken in Surat, Gujarat and Panoli, Gujarat. The concentration of all of our operations in Gujarat heightens our exposure to adverse developments related to regulation, as well as political or economic, demographic and other changes in Gujarat as well as the occurrence of natural and man-made disasters in Gujarat, which may adversely affect business, financial condition and results of operations. Our manufacturing operations require significant labour and are also reliant on government policies in terms of taxes, duties and incentives made applicable by the state government.

However, Gujarat has experienced social and civil unrest in the past within the state and such tensions could lead to political or economic instability in Gujarat and a possible adverse effect on our business, financial condition and results of operations. There can be no assurance that such situations will not recur or be more intense than in the past.

19. ***We face competition from both domestic as well as multinational corporations and our inability to compete effectively may have a material adverse impact on our business, financial condition and results of operations.***

Although the specialty chemicals industry provides for significant entry barriers, competition in our business is based on pricing, relationships with customers, research and development, product registration, product quality, customisation, and innovation. We face pricing pressures from companies, principally in China, that are able to produce chemicals at competitive costs and consequently, may supply their products at cheaper prices. Moreover, Indian chemical companies are faced with poor infrastructure and lack of adequate facilities at ports and railway terminals as well as poor pipeline connectivity, which imposes difficulties in raw material procurement and at a cost competitive price with global peers. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such multinational competitors which would adversely affect our business, financial condition and results of operations. Additionally, some of our competitors in the intermediates and speciality chemicals business may have greater financial, research and technological resources, larger sales and marketing teams and more established reputation. They may also be in a better position to identify market trends, adapt to changes in industry, innovative new products, offer competitive prices due to economies of scale and also ensure product quality and compliance. For more information regarding our industry peers, please see the section "*Industry Overview – Key Performance Indicators*" on page 212.

20. ***Our performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory or working capital.***

We maintain relatively high inventory levels of approximately three to five months of raw material requirements for the manufacture of the products. We use our enterprise resource planning software to evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component of the success of our business, financial condition and results of operations. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations.

Based on the details of orders received from customers, our raw material inventory and our production of finished goods is planned. Our raw material inventory is planned for a longer period (at least 5 months) so that there is no shortfall in meeting customer demands for any products. Our inventory for finished goods is only available for not more than 7 days as the products are manufactured based on the orders received. Our working capital management is done taking into account all these factors.

Our inventory levels have increased significantly over the last three fiscal years. The following table set forth our inventory turnover ratio, net working capital and capital turnover ratio for the periods indicated.

Particulars	**As at March 31,**		
	2021	**2022**	**2023**
Inventory Turnover Ratio (days)	134	206	286
Net Working Capital (in ₹ millions)	716.22	1,676.15	5,811.28
Net Capital Turn Ratio (times)	6.28	3.52	1.12

Note:

1) *Inventory Turnover Ratio = Closing Inventory divided by Cost of Materials Consumed + Changes in Inventory multiplied by the number of days in a year*
2) *Net Working Capital = Total current assets – Total current liabilities*
3) *Net Capital Turn Ratio = Revenue from operations divided by net working capital*

If our raw materials purchase decisions do not accurately predict sourcing levels, customer trends or our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a client defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result, or have resulted, in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, financial condition, results of operations and prospects.

21. *Our failure to manage growth effectively may adversely impact our business, prospects, financial condition and results of operations.*

Our ability to sustain growth depends primarily upon our ability to manage key issues such as our ability to sustain existing relationships with our clients, ability to obtain raw materials at better prices, ability to compete effectively, ability to scaling up our operations, adhering to quality and execution standards, our ability to expand our manufacturing capabilities and our presence in India as well as globally, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, financial condition, results of operations and prospects.

22. *Our investments in new products may not be successful and may be less profitable or may be loss-making.*

In accordance with our strategy, we are investing in developing new intermediates and speciality chemicals to add to our product mix. Although we follow a careful plan and strategy to develop our products, the development of new products is subject to number of risks including, but not limited to, our failure to develop products that meet market demands and market requirements, our failure to meet competition and our failure to comply with applicable regulation. Accordingly, our new intermediates and speciality chemicals may not be successful for these and other reasons. In addition, our new products may require significant capital expenditure for development and roll out and may take substantial management time. In Fiscal 2021, Fiscal 2022 and Fiscal 2023, our R&D expenses (capital as well as revenue in nature) were ₹192.83 million, ₹392.60 million and ₹501.39 million, respectively, which represented 4.29%, 6.65% and 7.70% of our revenue from operations, respectively. In addition, in Fiscal 2021, Fiscal 2022 and Fiscal 2023, our capital expenditure on R&D was ₹79.38 million, ₹287.34 million and ₹343.64 million, respectively. Further, our investments in new products, may be less profitable than what we have experienced historically or estimated, may be lossmaking, may consume substantial financial resources and/or may divert management's attention from existing operations, all of which could materially and adversely affect our business, results of operations and financial condition.

23. We are subject to certain legal proceedings, and we cannot assure you that we will be successful in all of these actions. In the event we are unsuccessful in litigating any or all of the disputes, our business, results of operations and financial condition may be adversely affected.

We may have to contest certain legal proceedings in various courts and tribunals, including certain taxation proceedings and civil proceedings cases before various forums during the course of our business operations and cannot assure you that the outcome of these legal proceedings will be favourable.

Any unfavourable decision in any matters which may arise, may adversely affect our reputation and financial condition. Such litigation could divert management time and attention and consume financial resources in their defence or prosecution. 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. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, results of operations and financial condition could be adversely affected. For further details of the material legal proceedings that we are subject to, see the chapter titled "*Legal Proceedings*" on page 305.

24. Our Company may not be successful in penetrating new export markets.

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 regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. In addition, 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. While there have been no instances during the last three Financial Years (Fiscal 2021 to Fiscal 2023) where we have faced issues in penetrating new markets, we cannot assure you that we shall not face such challenges while expanding into new export markets. In the eventuality we are unable to successfully expand into new geographical regions, our growth plans and future performance shall be adversely affected. Additionally, 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.

25. The cost of implementing new technologies for our operations could be significant and could adversely affect our business, financial condition and results of operations.

Our future success may depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology underpinning our operational platform, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our services less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our profitability. Any of the above events may adversely affect our business, financial condition, results of operations and prospects.

26. We have incurred significant capital expenditure during the last three Fiscal Years. We may require substantial financing for our business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.

During Fiscal 2021, Fiscal 2022 and Fiscal 2023, we incurred capital expenditure of ₹800.62 million, ₹1,010.13 million and ₹3,915.11 million, respectively. A significant amount of our capital expenditure in these periods was aimed at increasing our manufacturing and R&D capacities. Our management adopts and implements business strategies that take into account a number of macro and micro economic considerations, including our current financial condition and expected levels of growth over the medium to long term. In addition, we expect to increase our capital expenditure using the proceeds from this Issue. For further information, see "*Use of Proceeds*" on page 85.

There can be no assurance that our expansion plans will be implemented as planned or on schedule, or that we will achieve our increased planned output capacity or operational efficiency. If we experience significant delays or mishaps in the implementation of the expansion plans or if there are significant cost overruns, then the overall benefit of such plans to our revenues and profitability may decline. To the extent that the planned expansion does not produce anticipated or desired output, revenue or cost-reduction outcomes, our business, financial condition and results of operations will be adversely affected.

In the future, we may require substantial capital for our business operations and planned capital expenditure to maintain and grow our existing infrastructure, purchase equipment and develop and implement new technologies in our new and existing manufacturing facilities. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your investment in our Company and could adversely impact our future Equity Share price.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. Our ability to raise debt financing on acceptable terms also depends on our credit ratings. For further information on the risks associated with credit ratings, see "-*Any downgrade of our debt ratings could adversely affect our business*." We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, financial condition and results of operations.

27. Fluctuation in the prices of raw materials and crude oil may affect our ability to price our products competitively.

The costs of materials consumed make up a large portion of our operating expenses. During Fiscal 2021, Fiscal 2022 and Fiscal 2023, our cost of goods sold (cost of materials consumed and changes in inventories of finished goods and work-in-progress) amounted to ₹2,306.88 million, ₹2,880.33 million and ₹3,173.39 million, respectively, and our cost of materials consumed as a percentage of our revenue from operations was 51.28%, 48.82% and 48.74%, respectively. We source raw materials primarily from third-party suppliers, including imports. Our primary raw materials include derivatives of crude oil, such as phenol, amongst others. Increases in prices of raw materials, or the unavailability thereof, could have a material adverse effect on our business, financial condition and results of operations.

While we have generally been able to pass on increase in prices of such raw materials to our customers, our inability to do so in the future could adversely affect our ability to price our products competitively and consequently, would adversely affect our business, financial condition and results of operations.

28. Failure or disruption of our IT, manufacturing automation systems and/or ERP systems may adversely affect our business, financial condition and results of operations.

We have implemented various information technology ("**IT**") and/or enterprise resource planning ("**ERP**") solutions to cover key areas of our operations, procurement, dispatch and accounting. We also have various automation systems and software that automate our manufacturing and production. We also have cyber insurance policy and crime insurance policy. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems, ERP systems or manufacturing automation systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. While we have not faced significant disruptions in past, any such malfunction or disruptions in future could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT, manufacturing automation systems and/or ERP systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, financial condition and results of operations.

29. We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, financial condition and results of operations.

Pursuant to certain of our arrangements with our customers, based on customer preferences, we are required to pay the freight costs for the products we sell. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities. We do not own any vehicles for the transportation of our products and/or raw materials, we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. We do not have any long-term contractual arrangements with such third-party transportation and logistics providers. While we have in past not faced any significant disruptions due to dependence on third party transportation and logistics service providers, any disruptions in future of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, financial condition and results of operations.

In Fiscal 2021, Fiscal 2022 and Fiscal 2023, our expenses for freight (inward and outward) were ₹123.52 million, ₹163.75 million and ₹168.45 million, respectively, which constituted 2.88%, 3.64% and 2.94%, respectively, of our revenue from operations, and, and which represented 3.60%, 4.77% and 3.88%, respectively, of our total expenses. We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs, through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs also will increase expenses which in turn may adversely affect our business, financial condition and results of operations.

While we believe we have adequately insured ourselves against the risk involved in maritime transport, we may be responsible for the transport of our products and accordingly be exposed to the risk of theft, accidents and/or loss of our products in transit. While there have been no material instances of theft, accident or loss in the past three years, we cannot assure you that such incidents will not occur in future. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could have an adverse effect on our business, financial condition and results of operations.

30. We have not yet placed orders in relation to the capital expenditure to be incurred for Manufacturing Facility 3, Manufacturing Facility 4 and Manufacturing Facility 5. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.

We have made and intend to continue making investments to expand our manufacturing capacities to aid our growth efforts. We intend to use a part of the Net Proceeds to set-up new manufacturing facilities in Gujarat to expand capacities in our product segments and launch new product segments. These facilities are intended to be funded from a combination of internal accruals and Net Proceeds of this Issue.

The total estimated cost for two of our manufacturing facilities and the breakup of amount financed through Net Proceeds and the financing from internal accruals is as follows:

(₹ in million)

Sr. No	Particulars	Total estimated cost	Amount which will be financed from Net Proceeds	Amount which will be financed from internal accruals
1.	Funding capital expenditure for the expansion at Manufacturing Facility 3	2,030.00	1,830.00	200.00
2.	Funding capital expenditure for setting up of Manufacturing Facility 5	4,140.00	3,300.00	840.00

Total estimated cost is as per certificate dated June 19, 2023, issued by Dr. Pankaj Jayantilal Gandhi (Chartered Engineer). Our proposed manufacturing facilities remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our expansion plans include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. Further, there can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

The setting up of Manufacturing Facility 3, Manufacturing Facility 4 and Manufacturing Facility 5 will require us to obtain various approvals, which are routine in nature including approvals such as consent to establish and fire-no objection certificate. In addition to such pending approvals, we will also need to apply for certain additional approvals required for setting up of Manufacturing Facility 3, Manufacturing Facility 4 and Manufacturing Facility 5. There can be no assurance that we will be able to obtain these registrations and approvals including approvals in relations to power and water procurement in a timely manner or at all. Further, in the event of any unanticipated delay in receipt of such approvals for Manufacturing Facility 3 and Manufacturing Facility 5, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. While we have procured quotations from various vendors in relation to the capital expenditure to be incurred for the Manufacturing Facility 3, Manufacturing Facility 4 and Manufacturing Facility 5, we have not placed any firm orders for any of them. For details in respect of the foregoing, see "*Use of Proceeds*" on page 85. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes.

Further, if we are unable to procure the requisite raw materials from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the raw materials which satisfy our requirements at acceptable prices. Our inability to procure the machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

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

During Fiscal 2021, Fiscal 2022 and Fiscal 2023, our cost of goods sold (cost of materials consumed and changes in inventories of finished goods and work-in-progress) amounted to ₹2,306.88 million, ₹2,880.33 million and ₹3,173.39 million, respectively, and our cost of materials consumed as a percentage of our revenue from operations was 51.28%, 48.82% and 48.74%, respectively. In Fiscal 2021, Fiscal 2022 and Fiscal 2023, our purchase of imported raw materials was ₹1,062.49 million, ₹1,116.62 million, and ₹1,532.27

million, and constituted 47.47%, 33.06% and 41.16%, respectively, of our total raw material purchase. Some of our raw material imports are regulated by the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 that, *inter alia*, allows the concerned authority to stop any import if it is deemed that the chemicals proposed to be imported may cause major accidents. We are unable to assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. We also cannot assure you that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, and our business, financial condition and results of operations.

Further, in the future, if there are any trade restrictions, sanctions or higher tariffs being placed by India on imports from another country or similar restrictions placed by the exporting country for supply of products to India, such trade restrictions, sanctions or higher tariffs may significantly impact our sourcing decisions and It may lead to increased cost of purchase, and shortages of materials, which could impact our supply commitment to our customers and adversely affect our manufacturing activities. While we have not experienced trade restrictions or sanctions in the last three Financial Years (Fiscal 2021 to Fiscal 2023), however, such trade restrictions, sanctions or higher tariffs if imposed in future could have a material adverse effect on our business, financial condition and results of operations.

32. Our business may expose us to potential product liability claims and recalls including on account of our products causing or are perceived to cause, severe side effects, which could adversely affect our results operation, goodwill and the marketability of our products.

We may be exposed to risks of products recalls and returns. In addition, we may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. While we have taken insurance to protect us from such claims; however, this insurance coverage may be inadequate or not applicable to a particular set of claims, please refer risk factor – "*Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations*" for further information. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management's time and focus. Accordingly, such product liability claims, may adversely affect our results of operation, goodwill and the marketability of our products.

We develop, manufacture and market a diverse range of chemical products and formulations including hazardous substances, which are primarily used as raw materials for a variety of end user applications. If our products or our customers' products cause, or are perceived to cause, severe side effects to their end-users, we may face a number of consequences, including, a severe decrease in the demand for, and sales of, the relevant products; the recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for the relevant production facility; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. While there have been no material instances during the last three Financial Years (Fiscal 2021 to Fiscal 2023) of such risk, in case any of our products or products of our customer cause, or are perceived to cause, severe side effects our business, financial condition and results of operations may be adversely affected.

33. If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system in the last three Fiscals. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India, including within the chemicals sector. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition and results of operations. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

34. ***We are dependent on third parties for the supply of utilities, such as water, gas and electricity, at our manufacturing facilities and any disruption in the supply of such utilities could adversely affect our manufacturing operations.***

We procure electricity for use at our facilities from the local grid and we are also diverting gradually towards sourcing electricity from renewable means, wherein as a first step towards that, we have commissioned in Fiscal 2023, a 16MW Solar Power Plant. We procure water for use at our facilities from the Gujarat Industrial Development Corporation. As part of our manufacturing process, we use natural gas supplied by a state-owned gas company along with water and steam. Reliance on third parties for electricity, water and gas exposes us to risks such as shortage or break down in supply, the correction of which is in the hands of such third parties, and which, if not corrected, could result in a temporary of all or part of operations. While we have not faced challenges in supply in past due to dependence on third parties for the supply of utilities, we cannot assure you that we shall not face shortage or break down in supply of utilities in future. Additionally, in case of a break- down of our relationship with the utility providers, we are unable to assure you that we shall be able to source such utilities from alternate sources in a timely manner, which could adversely affect our business, financial condition and results of operations.

35. ***The demand of our products in foreign countries is subject to international market conditions and regulatory risks that could adversely affect our business, financial condition and results of operations.***

We export our products to over 21 countries. During Fiscal 2021, Fiscal 2022 and Fiscal 2023, our total income from our exports (excluding deemed exports) amounted to ₹2,278.25 million, ₹2,779.52 million and ₹2,920.37 million, respectively, which constituted 50.65%, 47.11% and 44.85%, respectively, of our revenue from operations. Therefore, any developments in the global chemical industry or the industries in which our customers operate could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Community and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. Any such imposition of trade barriers may have a material adverse effect on our business, financial condition and results of operations.

36. ***We are entitled to certain export incentives for a specified period of time. Expiry or early withdrawal of such subsidies or export incentives may adversely affect our business, financial condition and results of operations. Further, our inability to fulfil our export obligations under Advance Authorization Licenses,***

could subject us to payment of customs duties together with interest thereby adversely impacting our business, financial condition and results of operations.

We benefit from certain subsidies and export incentives under export promotion schemes including the Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS) duty credit. While there have been no instances during the last three Financial Years (Fiscal 2021 to Fiscal 2023) where subsidies or export incentives have been withdrawn or non-receipt of disbursement of the benefit under such export schemes, if these subsidies or export incentives are withdrawn, or there is a delay in disbursements of benefits under such schemes, our business, financial condition and results of operations may be adversely affected. In addition, our business, financial condition and results of operations may be adversely affected if we are subject to any dispute with the tax authorities in relation to these benefits or in the event, we are unable to comply with the conditions required to be complied with in order to avail ourselves of these benefits.

Further, we avail ourselves of exemptions from customs duties under Advance Authorization Licenses. Under the Advance Authorization Licenses, we import certain important raw materials without the payment of Import Duties, which are then used in the manufacture of goods to be exported. Our inability to fulfil our export obligations under such Advance Authorization Licenses, could subject us to payment of customs duties together with interest thereby adversely impacting our business, financial condition and results of operations. For further information on our tax benefits, see our "*Statement of Possible Tax Benefits*" on page 301.

37. We engage contract labour for carrying out certain business operations. Requirement to fund their wage requirements may have an adverse impact on our business, financial condition and results of operations.

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. While there have been no past instances during the last three Financial Years (Fiscal 2021 to Fiscal 2023) where we have had to fund wage requirements of the contract labour, any requirement to fund their wage requirements may have an adverse impact on our business, financial condition and results of operations.

38. We might infringe upon the intellectual property rights of others and any misappropriation of our intellectual property could harm our competitive position.

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 require us to alter our technologies, obtain licenses or cease some of our operations. Under our CRAMS business segment our CRAMS customers work jointly with our scientists and engineers, and we execute their projects in our R&D Facilities, analytical sciences laboratories, and our Pilot Plant. Molecules developed in our CRAMS business for our customers have the potential to convert into regular commercial supplies and become large scale manufacturing products for our Company. These molecules developed have a high probability of third-party intellectual property infringement claims. We may also be susceptible to infringement claims from third parties with relation to other intellectual property developed by us. If such claims are raised, those claims could: (a) adversely affect our relationships with current or future customers: (b) result in costly litigation; (c) cause product shipment delays or stoppages; (d) divert management's attention and resources; (e) subject us to significant liabilities; (f) require us to enter into potentially expensive royalty or licensing agreements and (g) require us to cease certain activities. While in the last three Financial Years (Fiscal 2021 to Fiscal 2023) we have not been involved in litigation or incurred litigation expenses in connection with our trademarks or intellectual property rights, in the case of an infringement claim made by a third party, we may be required to defend such claims at our own cost and liability and may need to indemnify and hold harmless our customers. Furthermore, necessary licenses 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 that we are not aware of. Any of the foregoing could adversely affect our business, financial condition and results of operations.

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. If our customer's intellectual property rights are misappropriated by our employees in violation of any applicable confidentiality agreements, our customers may seek damages and compensation from us. This could have an adverse effect on our business, financial condition and results of operations and damage our reputation and relationships with our customers.

39. Failure to maintain confidential information of our customers could adversely affect our results of operations or damage our reputation.

We enter into confidentiality agreements and non-disclosure agreements with our customers and other third parties. Our agreements with our customers also contain confidentiality and non-disclosure clauses. As per these agreements, we are required to keep confidential, the know-how and technical specifications, if any, provided to us by these customers. In the event of any breach or alleged breach of our confidentiality agreements with our customers, these customers may terminate their engagements with us or initiate litigation for breach of contract. Moreover, most of these contracts do not contain provisions limiting our liability with respect to breaches of our obligation to keep the information we receive from them confidential. As a result, if our customers' confidential information is misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us, in addition, to seeking termination of the contract. While there have been no instances during the last three Financial Years (Fiscal 2021 to Fiscal 2023) of information technology breach or instances of cyber-attack, assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

40. An inability to comply with repayment and other covenants in the financing agreements could adversely affect our business, financial condition, cash flows and credit rating.

We have entered into agreements in relation to financing arrangements with certain banks for working capital facilities We have entered into agreements in relation to financing arrangements with certain banks for working capital facilities and bank guarantees. The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including, among others, effecting a merger, amalgamation or scheme of arrangement, change in capital structure of our Company subject to the threshold prescribed for the shareholding of certain Shareholders of our Company and entering into forward contracts, swaps, options, or other liability management contracts in respect of short term facilities. For details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Indebtedness*" beginning on page 123.

Further, under the terms of our borrowings, we are required to create a charge by way of hypothecation on the entire current assets of our Company, together with cash in hand, bank accounts and receivables, and, in our term loans, fixed assets. As these assets are hypothecated in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted. There can be no assurance that we will be able to comply with the financial or other covenants prescribed under the documentation for our financing arrangements or that we will be able to obtain consents necessary to take the actions that may be required to operate and grow our business. Further, if 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.

Any failure to comply with the conditions and covenants in our financing agreements or the creation of additional encumbrances that is not waived by our lenders or guarantors or otherwise cured or occurrence of a material adverse event could lead to an event of default and consequent termination of our credit facilities could adversely affect our business, financial condition, results of operations and cash flows.

41. We do not own the premises of our Registered and Corporate Office, our manufacturing facilities and a few of our warehouses.

We do not own our Registered and Corporate Office premises or the premises of our manufacturing facility at Plot No. 8203, Road No. 08, GIDC Industrial Estate, Sachin, Surat – 394 230, Gujarat, India. These premises are occupied by us are on a leasehold basis of 99 years, except for Manufacturing Facility 1, which we have leased for a period of nine years. Further, all of our warehouses have been taken on lease with an average lease period of five to ten years. We cannot assure you that we will be able to renew our lease on commercially acceptable terms or at all. In the event that we are required to vacate our current Registered and Corporate Office or our warehouses, we would be required to make alternative arrangements for new offices and warehouses, and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are unable to renew the lease for our manufacturing facilities it may adversely affect our business, financial condition and results of operations. For details, see *"Our Business – Properties"* on page 244.

42. Inability to comply with the requirement of maintaining minimum public shareholding in accordance with the Securities Contracts (Regulation) Rules, 1957

In accordance with the SCRR, our Company is required to achieve at least 25% public shareholding within three years from the date of listing of our Equity Shares on the Stock Exchanges, in the manner as specified under the SCRR and other applicable laws. This Issue is being undertaken towards meeting such compliance. However, we will not achieve 25% public shareholding post Allotment in this Offer. Subsequently, our Promoters and Promoter Group may be required to dilute their shareholding (in accordance with the methods prescribed under applicable laws) to ensure that our Company achieves 25% public shareholding on or before the timelines as mentioned under the SCRR. Further, we cannot assure you that our Company will be able to achieve minimum public shareholding within three years from the date of listing of our Equity Shares and failure to comply with the minimum public shareholding requirements may result in certain adverse consequences and may also result in penal action being taken against us and our Promoters.

43. Employee misconduct could harm us and is difficult to detect and deter.

Although we closely monitor our employees, misconduct, including acts of bribery, corruption or fraud by employees or executives, such acts could include binding us to transactions that exceed authorized limits or present unacceptable risks, or they may hide unauthorized or unlawful activities from us, which may result in substantial financial losses and damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. While we have not experienced any such employee misconduct in the past, it is not always possible to deter employee or executive misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Any instances of such misconduct could adversely affect our business and our reputation. Our Company has obtained criminal insurance policy for coverage against such misconduct.

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

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties including remuneration paid to our Directors. For further information, see "*Financial Statements*" on page 309. We cannot assure you that we will receive similar terms in our related party transactions in the future and that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

The transactions we have entered into are on an arm's length and any further transactions that we may have with our related parties could potentially involve conflicts of interest which may be detrimental to us. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

45. Our Directors, Key Managerial Personnel and Senior Management Personnel may have interests other than reimbursement of expenses incurred and normal remuneration or benefits in our Company.

Our Directors, Key Managerial Personnel and Senior Management Personnel may be interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of the Equity Shares and employee stock options held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For further details, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Board of Directors and Key Managerial Personnel – Interest of our Directors and Promoters*" on page 245.

46. Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Placement Document are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the historical installed capacity and estimated capacity utilization of our manufacturing facilities included in this Placement Document is based on various assumptions and estimates of our management and a Chartered Engineer, Dr. Pankaj Jayantilal Gandhi including assumptions relating to expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product, unscheduled breakdowns, mould changeover as well as expected operational efficiencies, please refer to "*Our Business - Capacity Production and Utilization*" on page 235 of this Placement Document for further details. Actual production volumes and capacity utilization rates, however, may differ significantly from the estimated production capacities and historical capacity utilization of our manufacturing facilities. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this Placement Document.

47. We track certain operational metrics with internal systems and tools. Certain of our operational metrics are subject to inherent challenges in measurement which may adversely affect our business and reputation.

We track certain operational metrics, including transaction volumes and key business and non-GAAP metrics such as EBITDA, EBITDA margin, ROCE, ROE, return on net worth, working capital, net worth, net asset value per share and debt equity ratio, among others, with internal systems and tools and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. We have implemented various management information systems to track our operational data accurately. We also review our data monthly and compare this data to various industry player to find any abnormal variations. However, our internal systems and tools still have inherent limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools /we use to track these metrics undercount or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our platforms are used across large populations. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, we expect that our business, reputation, results of operations and financial condition would be adversely affected.

External Risks

Risks Relating to India

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

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

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

49. Our business is affected by global economic conditions, especially in the geographies we cater to, which may have an adverse effect on our business, financial condition, results of operations and prospects.

Our business depends substantially on global economic conditions. During Fiscal 2021, Fiscal 2022 and Fiscal 2023, our sales from exports (excluding deemed exports), as a percentage of our revenue from operations were 50.65%, 47.11% and 44.85%, respectively. A significant number of our customers and the majority of the end users of our products are located and primarily operating in Europe, North and South America, and Asia and some of them were adversely impacted by the economic downturn in these economies, disruption in banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power and customer confidence, and political uncertainty.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. 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 adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, financial condition and results of operations.

In February 2022, hostilities between Russia and the Ukraine commenced, which has led stock, commodities and foreign exchange markets worldwide to fluctuate. In addition, the market price of oil has risen sharply since the commencement of hostilities in the Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, financial condition, results of operations and prospects may be adversely affected.

50. Changing regulations in India could lead to new compliance requirements that are uncertain.

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

For instance, the GoI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

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

51. A slowdown in our exports due to tariffs and trade barriers and international sanctions could adversely affect our business, financial condition and results of operations.

A significant portion of our revenue is derived from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Community and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. In February 2022, hostilities between Russia and the Ukraine commenced, which has led to the imposition of sanctions of various Russian interests (and in some cases Belarus) by the European Union, Australia, Canada, Japan, New Zealand, Switzerland, South Korea, the United Kingdom and the United States. Any such imposition of trade barriers or international sanctions may have an adverse effect on our business, financial condition and results of operations.

52. Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.

India has experienced natural calamities, such as earthquakes and floods in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our manufacturing and R&D facilities or other assets which are concentrated in one location. Any of these natural calamities could adversely affect our business, financial condition and results of operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

Our operations including our manufacturing facilities and research and development activities may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our facilities. Any of the above factors may adversely affect our business, financial condition and results of operations.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Recently there have been ongoing mass protest by farmers, against three farm acts which were passed by the Parliament of India in September 2020. The introduction of the law caused protests in several parts of the country like Delhi, Haryana and Punjab. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, financial condition and results of operations. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. In April 2019, skirmishes along India's border with Pakistan and the downing of an Indian military jet fighter plane significantly escalated tensions between the two countries. India has also experienced terrorist attacks in some parts of the country. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

53. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, financial condition and results of operations.

54. *Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document.*

Our Financial Statements as of, and for the years ended, March 31, 2021, 2022 and 2023 incorporated in this Placement Document have been prepared and presented in accordance with Ind-AS. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is dependent on the prospective investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Placement Document should accordingly be limited.

55. *Any adverse change in India's sovereign credit rating by international rating agencies could adversely affect our business, financial condition, results of operations and cash flows.*

In November 2016, Standard & Poor's, an international rating agency, reiterated its negative outlook on India's credit rating. It identified India's high fiscal deficit and heavy debt burden as the most significant constraints on its rating, and recommended the implementation of reforms and containment of deficits. Standard & Poor's affirmed its outlook on India's sovereign debt rating to "stable", while reaffirming its "BBB-" rating. In May 2017, Fitch, another international rating agency, affirmed India's sovereign outlook to "stable" and affirmed its rating as "BBB-". In November 2017 Moody's Investors Service ("Moody's") upgraded the Sovereign Credit Rating of India to Baa2 from Baa3 and changed the outlook on the rating to stable from positive. On June 1, 2020, Moody's downgraded India's sovereign rating to the lowest investment grade and maintained the outlook from stable to negative. In October 2021, Moody's affirmed India's sovereign rating to Baa3 with a stable outlook and it continues to be the same. Prior to the onset of the pandemic, India's GDP growth slowed on account of existing vulnerabilities such as a weak financial sector and subdued private investment. Going forward, the sovereign ratings outlook will remain dependent on whether the government is able to transition the economy into a high-growth environment, as well as exercise adequate fiscal restraint. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our business, financial condition, results of operations and cash flows.

56. The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, financial condition and results of operations.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies including our chemical products, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, financial condition and results of operations.

57. Foreign investors are subject to foreign 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 the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. Additionally, shareholders who seek to convert the Indian Rupees proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. For further details, please see on *"Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions"* on pages 282 and 292.

In terms of the Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade ("DPIIT"), the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of a transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made a similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

58. ***It may not be possible for investors to enforce any judgment obtained outside India against us, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

Our Company is a limited liability company incorporated under the laws of India. Our Board of Directors comprises members all of whom are Indian citizens. All of our Key Managerial Personnel are residents of India and majority of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, among others, the United Kingdom, Singapore, United Arab Emirates and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

59. ***Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.***

The Competition Act seeks to prevent business practices that have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any 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 is void and attracts substantial monetary penalties. Further, 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. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011.These provisions 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, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions, including agreements between vertical trading partners i.e., entities at different stages or levels of the production chain in different markets, which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. We may also be subject to queries from the CCI pursuant to complaints by consumers or any third persons, which could be made without any or adequate basis given our market presence. 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 on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

Risks relating to our Equity Shares and the Issue

1. ***An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.***

   The Equity Shares are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the Issue of the Equity Shares, QIBs subscribing to the Equity Shares may only sell their Equity Shares on the Stock Exchanges and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price and liquidity of the Equity Shares.

2. ***Any future issuance of the Equity Shares or sales of the Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of the Equity Shares.***

   A future issuance of Equity Shares by us may dilute your shareholding in the Issuer. There are no restrictions on our ability to issue further Equity Shares, including allotment of any securities to the Promoters, other than as stipulated under applicable laws. The issue and allotment of Equity Shares by us to third parties would result in a dilution of your shareholding and rights in the Issuer.

   Moreover, any significant disposal of Equity Shares by any of our significant shareholders, or the perception that such sales will occur, may affect the trading price of our Equity Shares. As a publicly traded company, there is no restriction on our shareholders to dispose of a part or the entirety of their shareholding in the Issuer, which could lead to a negative sentiment in the market regarding the Issuer that could in turn impact the value of the Equity Shares.

3. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.***

   Pursuant to the Companies Act, 2013 a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution when the votes cast in favour of the resolution by the holders who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. However, if the law of the jurisdiction the Investor is in does not permit them to exercise their pre-emptive rights without us filing a Preliminary Placement Document or registration statement with the applicable authority in the jurisdiction they are in, they will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, you may not be able to exercise your pre-emptive rights in relation to such an offering. To the extent that Investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

4. ***The price of the Equity Shares may be volatile.***

   The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, results of operations and financial condition. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

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

   Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on BSE and NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

6. ***Applicants to this Issue are not allowed to withdraw or revise downwards their Bids after the Bid /Issue Closing Date.***

   In terms of the SEBI ICDR Regulations, applicants in this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations and financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/ Issue Closing Date and the date of Allotment of Equity Shares in this Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

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

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

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

   Additionally, the Finance Act, 2020 provides, amongst others things 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, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

8. ***Our Equity Shares are quoted in Indian Rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupees and risks associated with the conversion of Indian rupee proceeds into foreign currency.***

   Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian Rupees against the US dollar and other currencies may subject investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Indian Rupees proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

MARKET PRICE INFORMATION

As on the date of this Placement Document, 12,45,10,721 Equity Shares have been issued, subscribed, and paid up. The Equity Shares have been listed on BSE and NSE since June 3, 2022. The Equity Shares are listed and traded on BSE under the scrip code 543534 and the symbol AETHER and are listed and traded on NSE under the symbol AETHER.

On June 21, 2023, the closing price of the Equity Shares on BSE and NSE was ₹ 1,100.75 and ₹ 1,099.80 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

BSE									
Fiscal	**High (₹) (1)**	**Date of high (2)**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹) (1)**	**Date of low (2)**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹) (3)**
2023	1,020.80	September 16, 2022	40,537	41.14	750.25	June 20, 2022	8,767	6.56	879.44
2022	NA	NA	NA	NA	NA	NA	NA	NA	NA
2021	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA - Not Applicable. The Equity Shares of our Company were listed on June 3, 2022.
(Source: www.bseindia.com)
Note:
1. *High and low prices are based on the daily closing prices, for the respective period.*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*
3. *In case of a year, average price for the year represents the average of the closing prices on each day of each year.*

NSE									
Fiscal	**High (₹) (1)**	**Date of high (2)**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹) (1)**	**Date of low (2)**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹) (3)**
2023	1,021.10	September 16, 2022	326,839	332.79	750.40	June 20, 2022	232,080	173.61	879.51
2022	NA	NA	NA	NA	NA	NA	NA	NA	NA
2021	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA - Not Applicable. The Equity Shares of our Company were listed on June 3, 2022.
(Source: www.nseindia.com)

Note:
1. *High and low prices are based on the daily closing prices, for the respective period.*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*
3. *In case of a year, average price for the year represents the average of the closing prices on each day of each year.*

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The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

BSE											
Month, year	**High (₹) (1)**	**Date of high (2)**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹) (1)**	**Date of low (2)**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹) (3)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ million)**
May, 2023	990.35	May 05, 2023	3,249	3.21	900.60	May 29, 2023	3,825	3.46	926.65	83,612	78.27
April, 2023	984.05	April 21, 2023	1,600	1.57	901.60	April 6, 2023	5,802	5.25	938.74	79,042	74.12
March, 2023	937.65	March 31, 2023	8,505	7.94	856.15	March 13, 2023	5,327	4.57	875.40	64,317	56.80
February, 2023	900.75	February 21, 2023	3,436	3.10	856.40	February 14, 2023	5,653	4.88	881.57	66,569	58.79
January, 2023	929.50	January 23, 2023	35,599	33.41	842.25	January 6, 2023	205,447	173.04	874.24	317,424	273.78
December, 2022	913.85	December 7, 2022	1,615	1.48	818.45	December 23, 2022	4,430	3.66	877.93	85,812	75.24

(Source: www.bseindia.com)

NSE*											
Month, year	**High (₹) (1)**	**Date of high (2)**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹) (1)**	**Date of low (2)**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹) (3)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ million)**
May, 2023	991.70	May 05, 2023	61,382	60.67	899.45	May 29, 2023	20,526	18.55	926.85	935,800	879.64
April, 2023	984.35	April 21, 2023	54,883	53.85	901.80	April 6, 2023	41,868	37.84	939.01	805,637	763.02
March, 2023	936.55	March 31, 2023	111,705	104.35	856.60	March 14, 2023	15,743	13.55	875.56	657,061	582.63
February, 2023	901.80	February 21, 2023	9,923	8.95	854.40	February 14, 2023	44,285	38.06	881.68	491,080	433.27
January, 2023	929.35	January 23, 2023	238,931	224.68	842.25	January 6, 2023	583,622	491.58	874.29	1,546,870	1,353.25
December, 2022	914.45	December 7, 2022	23,892	21.86	818.35	December 23, 2022	57,158	47.17	878.00	743,234	653.63

(Source: www.nseindia.com)

Note:
1. *High and low prices are based on the daily closing price, for the respective period.*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*
3. *In case of a month, average price for the month represents the average of the closing prices on each day of each month.*

The following table set forth the details of the number of Equity Shares traded on BSE and NSE and the turnover during Fiscals 2023, 2022 and 2021:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ million)	
	BSE	NSE	BSE	NSE
2023	3,420,633	33,752,955	2,881.03	28,088.94
2022	NA	NA	NA	NA
2021	NA	NA	NA	NA

NA – Not applicable. The Equity Shares of our Company were listed on June 3, 2022.
(Source: www.bseindia.com and www.nseindia.com)

The following tables set forth the market price on the Stock Exchanges on May 8, 2023 being the first working day following the approval of the Board for this Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
996.05	1,005.00	964.00	967.30	5,063	4.96

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
999.25	1,008.95	964.00	991.70	78,042	76.59

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue shall be approximately ₹ 7,500.00 million*. Subject to compliance with applicable laws, the net proceeds from this Issue, after deducting fees, commissions and expenses relating to this Issue, will be approximately ₹ 7,285.00 million ("**Net Proceeds**").
**Subject to Allotment of Equity Shares pursuant to the Issue.*

Purpose of this Issue

Subject to compliance with applicable laws and regulations, our Company proposes to utilize the Net Proceeds for:
1. Funding capital expenditure for the expansion at Manufacturing Facility 3;
2. Funding capital expenditure for setting up of Manufacturing Facility 5;
3. Funding working capital requirements of our Company; and
4. General corporate purposes

(collectively, referred to herein as the "**Objects**").

The Issue is also for the purpose of achieving minimum public shareholding in terms of SCRR.

Utilisation of Net Proceeds

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

(In ₹ million)

Particulars	Amount which will be financed from Net Proceeds
Funding capital expenditure for the expansion at Manufacturing Facility 3	1,830.00
Funding capital expenditure for setting up of Manufacturing Facility 5	3,300.00
Funding working capital requirements of our Company	450.00
General corporate purposes	1,705.00
Total	**7,285.00***

**Subject to Allotment of Equity Shares pursuant to the Issue.*

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in million)

Sr. No	Particulars	Total estimated cost	Amount to be financed from Internal Accruals	Amount which will be financed from Net Proceeds	Estimated deployment of the Net Proceeds		
					Fiscal 2024	Fiscal 2025	Fiscal 2026
1.	Funding capital expenditure for the expansion at Manufacturing Facility 3	2,030.00*	200.00 (1)	1,830.00	830.00	1,000.00	-
2.	Funding capital expenditure for setting up of Manufacturing Facility 5	4,140.00*	840.00 (2)	3,300.00	350.00	1,500.00	1,450.00
3.	Funding working capital requirements of our Company	-	-	450.00	450.00	-	-
4.	General corporate purposes	-	-	1,705.00	1,000,00	705.00	-
	Total	**6,170.00**	**1,040.00**	**7,285.00^**	**2,630.00**	**3,205.00**	**1,450.00**

** Total estimated cost, as per certificate dated June 19, 2023, issued by Dr. Pankaj Jayantilal Gandhi, Chartered Engineer*

[(1)] Out of ₹ 200.00 million, ₹ 199.69 million is already deployed as on May 31, 2023, as per the certificate dated June 22, 2023, issued by our Statutory Auditors, Birju S. Shah & Associates, Chartered Accountants
[(2)] Out of ₹ 840.00 million, ₹ 815.00 million is already deployed as on May 31, 2023, as per the certificate dated June 22, 2023, issued by our Statutory Auditors, Birju S. Shah & Associates, Chartered Accountants
^Subject to Allotment of Equity Shares pursuant to the Issue.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements.

Subject to compliance with applicable laws, in case of any variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements or by surplus funds available in respect of the other purposes for which funds are being raised in the Issue (except towards general corporate purposes).

Details of the Object of the Net Proceeds

1. Funding capital expenditure for the expansion of Manufacturing Facility 3

In line with our aim to continue investing in expanding our manufacturing capacities to meet increasing demands for our products, along with the necessity to launch new products for various applications, our Board in its meeting dated May 5, 2022 approved to acquire industrial land on a lease hold basis, for a period of 99 years, at Plot Nos. 8202/2/A and 8202/2/B at Road No. 8, GIDC Industrial Estate, Sachin, Surat – 394 230, located diagonally opposite to the Manufacturing Facility 2, for an expansion project. For the completion of the expansion project, we require to make investment in *inter alia* construction of factory building, equipment, plant and machinery and furniture and fixtures. Our Company proposes to utilise ₹ 1,830.00 million towards funding capital expenditure for the expansion of Manufacturing Facility 3.

The total estimated cost of the expansion project at Manufacturing Facility 3 is ₹ 2,030.00 million, as certified by Dr. Pankaj Jayantilal Gandhi, a chartered engineer (registration number: AM089164-1), pursuant to the Tecno-Economic Viability Report dated June 19, 2023.

A summary of the project cost, along with details of the quotation we have received in this respect is as follows. The details set out below are certified by Dr. Pankaj Jayantilal Gandhi, a chartered engineer pursuant to his certificate dated June 19, 2023.

Description of activity	Total estimated cost (in ₹ million) *	Quotation/cost summary received from	Date of quotation / purchase order	Date of expiry of quotation
Land	198.99	Completed		
Equipment	660.80	HLE Glascoat Limited	May 18, 2023	November 13, 2023
Utilities	84.37	Kirloskar Chillers Private Limited	May 20, 2023	August 17, 2023
Structure	110.05	Shreeji Steels	May 19, 2023	August 15, 2023
Factory Building	295.30	Bharat B. Dodhiawala	May 19, 2023	August 16, 2023

Description of activity	Total estimated cost (in ₹ million) *	Quotation/cost summary received from	Date of quotation / purchase order	Date of expiry of quotation
Pipes and fittings	144.35	Indian Steel Center	May 10, 2023	August 9, 2023 and September 10, 2023
Pumps	50.17	SM Industrial Stores	May 23, 2023	November 18, 2023
Electricals	126.29	Tirupati Sales Corporation	May 25, 2023	July 31, 2023
		Aum Industries	May 21, 2023	August 30, 2023
		Sunrise Efficient Marketing Limited	May 18, 2023	August 15, 2023
		Astek Electricals India Private Limited	May 15, 2023	November 10, 2023
Instrumentation	60.99	Lapp Group India Private Limited	May 18, 2023	August 16, 2023
		Yokogawa India Limited	May 25, 2023	August 16, 2023
QC & Lab	94.37	Kuwaunee Labway India Private Limited	May 10, 2023	August 17, 2023
		Agilent Technologies Singapore (Sales) Pte. Ltd.**	May 23, 2023	September 15, 2023
Fire & Safety	81.58	Star Enterprise	May 25, 2023	November 24, 2023
Computer Information System (CIS)	17.94	VarniTech Solution Private Limited	May 21, 2023	August 18, 2023
ETP	41.79	Vibrant Enterprise	May 21, 2023	August 18, 2023
		SED	May 14, 2023	August 11, 2023
Storage & W/H	12.33	Nilkamal Storage System Private Limited	May 20, 2023	September 30, 2023
		Godrej and Boyce Manufacturing Company Limited	May 16, 2023	May 15, 2024
Furniture & Fixtures	9.51	EssTeam Design Services LLP	May 23, 2023	July 27, 2023
Office Equipment	23.16	GD Waldner India Private Limited	May 22, 2023	September 18, 2023
Total (A)	**2,012.00**			
Contingencies (B)	18.00			
Total Project Cost (C) = (A+B)	**2,030.00**			
Funded from Internal Accruals	200.00			
Funded from Net Proceeds	**1,830.00**			

**Inclusive of GST*
*** The quotation provides figures in USD, which have been converted to INR at the conversion rate of ₹ 83 per USD and amount does not include taxes levied in India.*

The quotation received from the above suppliers are valid as on the date of this Placement Document. However, we have not entered into any definitive agreements with the suppliers and there can be no assurance that the abovementioned suppliers would be engaged to eventually provide the services at the same costs. If there is any increase in the costs, the additional costs shall be paid by our Company from its internal accruals. Further, no second-hand or used or refurbished equipment are proposed to be bought by our Company.

Proposed schedule of implementation

The proposed schedule of activities as per certificate dated June 19, 2023, issued by Dr. Pankaj Jayantilal Gandhi, Chartered Engineer, in respect of the expansion project at Manufacturing Facility 3 are as follows:

Sr. No.	Particulars	Date
1.	Procurement of the land	Completed (January 2023 and April 2023)
2.	Initiation of the digging of the ground	July 2023

Sr. No.	Particulars	Date
3.	Beginning of building(s) construction	August 2023
4.	Placing of orders for the plants / machineries / equipment	July 2023 to August 2023
5.	Completion of the ground and plinth work	November 2023
6.	Beginning of the structure work	October 2023
7.	Receipt of the plants / machineries / equipment	November 2023 to December 2023
8.	Installation of plants / machineries / equipment	December 2023 to January 2024
9.	Completion of building(s) construction	April 2024
10.	Completion of the structure work	April 2024
11.	Commissioning of the plant / machineries / equipment / furniture / office equipment	June 2024
12.	Trial run of the project to start from	August 2024
13.	Trial run to complete by	September 2024
14.	Commercial production to start from	October 2024

2. Funding capital expenditure for setting up Manufacturing Facility 5

In line with our aim to continue investing in expanding our manufacturing capacities to meet increasing demands for our products, along with the necessity to launch new products for various applications, our Board in its meeting dated December 6, 2021 approved to acquire land at Plot No. 14 + 15, GIDC Industrial Estate, Panoli – 394115, Bharuch, Gujarat, for one more manufacturing facility. For the completion of the manufacturing facility, we require to make investment in *inter alia* construction of factory building, equipment, plant and machinery and furniture and fixtures. Our Company proposes to utilise ₹ 3,330.00 million towards funding capital expenditure for setting up of Manufacturing Facility 5.

The total estimated cost of setting up of Manufacturing Facility 5 is ₹ 4,140.00 million, as certified by Dr. Pankaj Jayantilal Gandhi, a Chartered Engineer (registration number: AM089164-1), pursuant to the Tecno-Economic Viability Report dated June 19, 2023.

A summary of the project cost, along with details of the quotation we have received in this respect is as follows. The details set out below are certified by Dr. Pankaj Jayantilal Gandhi, a Chartered Engineer pursuant to his certificate dated June 19, 2023.

Description of activity	Total Estimated cost (in ₹ million) *	Quotation/cost summary received from	Date of quotation / purchase order	Date of expiry of quotation
Land	811.23	Completed		
Equipment***	536.90	HLE Glascoat Limited	May 18, 2023	November 13, 2023
Utilities	383.68	Kirloskar Chillers Private Limited	May 20, 2023	August 17, 2023
Structure	110.05	Shreeji Steels	May 9, 2023	July 25, 2023
Factory Building	295.30	Bharat B. Dodhiawala	May 30, 2023	August 28, 2023
Pipes and fittings**	95.22	Indian Steel Center	May 10, 2023	August 9, 2023 and September 10, 2023
Pumps	50.17	SM Industrial Stores	May 30, 2023	September 26, 2023
Electricals	52.70	Astek Electricals India Private Limited	May 25, 2023	August 30, 2023
Instrumentation	1,711.65	Yokogawa India Limited	May 12, 2023	May 12, 2024
QC & Lab	28.35	Spincotech Systems LLP	June 1, 2023	August 29, 2023
		Agilent Technologies India Private Limited	May 31, 2023	August 28, 2023
Computer Information System (CIS)	45.03	VarniTech Solution Private Limited	April 5, 2023	October 4, 2023
Storage & W/H	7.84	Nilkamal Limited	May 12, 2023	August 9, 2023
Furniture & Fixtures	5.83	Unimaple Modutech Private Limited	April 25, 2023	July 27, 2023
Total	**4,133.97**			
Contingencies	6.03			

Description of activity	Total Estimated cost (in ₹ million) *	Quotation/cost summary received from	Date of quotation / purchase order	Date of expiry of quotation
Total Project Cost	**4,140.00**			
Funded from Internal Accruals	840.00			
Funded from Net Proceeds	**3,300.00**			

**All the above costs are inclusive of applicable GST*
***Inclusive of quotations obtained for fire and safety*
****Inclusive of quotations obtained for ETP and Office Equipment*

The quotation received from the above suppliers are valid as on the date of this Placement Document. However, we have not entered into any definitive agreements with the suppliers and there can be no assurance that the abovementioned suppliers would be engaged to eventually provide the services at the same costs. If there is any increase in the costs, the additional costs shall be paid by our Company from its internal accruals. Further, no second-hand or used or refurbished equipment are proposed to be bought by our Company.

Proposed schedule of implementation

The proposed schedule of activities as per certificate dated June 19, 2023, issued by Dr. Pankaj Jayantilal Gandhi, Chartered Engineer, in respect of the expansion project at Manufacturing Facility 5 are as follows:

Sr. No.	Particulars	Date
1.	Procurement of the land	Completed (November 2022)
2.	Initiation of the digging of the ground	August 2023
3.	Beginning of building(s) construction	October 2023
4.	Placing of orders for the plants / machineries / equipment	August 2023 to September 2023
5.	Completion of the ground and plinth work	December 2023
6.	Beginning of the structure work	November 2023
7.	Receipt of the plants / machineries / equipment	January 2024 to February 2024
8.	Installation of plants / machineries / equipment	March 2024 to June 2024
9.	Completion of building(s) construction	July 2024
10.	Completion of the structure work	September 2024
11.	Commissioning of the plant / machineries / equipment / furniture / office equipment	November 2024
12.	Trial run of the project to start from	February 2025
13.	Trial run to complete by	March 2025
14.	Commercial production to start from	April 2025

3. Funding working capital requirements of our Company

In light of our plans for setting up of new manufacturing facilities and in order to support the incremental business requirements, our Company requires additional working capital for funding its working capital requirements in the Fiscal 2024. Our Company proposes to utilise ₹ 450.00 million towards funding its working capital requirements in the ordinary course of business.

Basis of estimation of working capital requirement

The details of Company's working capital as at March 31, 2021, March 31, 2022 and March 31, 2023, and the source of funding, on the basis of the Special Purpose Audited Standalone IndAS Financial Statement for the financial year ended March 31, 2021 & Audited Standalone financial statements of our Company for Fiscal March 31, 2022 and March 31, 2023, as certified by our Statutory Auditor, M/s. Birju S. Shah & Associates, Chartered Accountants through their certificate dated June 19, 2023, are provided in the table below:

(₹ in million)

Particulars	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023
Current assets			
(a) Inventories	847.28	1,627.44	2,487.66
(b) Financial assets			
(i) Investments	220.90	170.11	10.01
(ii)Trade receivables	1,082.40	1,634.80	2,589.82
(iii) Cash and cash equivalents	35.14	33.39	708.64
Bank balances other than (iii) above	20.49	146.77	313.81
(iv) Loans	7.92	8.36	11.38
(v) Other financial assets	5.71	2.70	3.27
(c) Other current assets	115.44	474.34	626.69
Total current assets (A)	**2,335.28**	**4,097.90**	**6,751.28**
Current liabilities(1)			
(a) Financial liabilities			
(i) Lease liabilities	3.56	5.85	10.76
(ii) Trade payables	477.73	698.54	815.18
(iii) Other financial liabilities	44.43	63.46	96.92
(b) Provisions	0.00	0.00	0.00
(c) Other current liabilities	41.51	14.67	16.08
(d) Current tax liabilities (net)	7.70	6.61	0.00
Total current liabilities (B)	**574.93**	**789.14**	**938.94**
Total working capital requirements (A-B)	**1,760.35**	**3,308.77**	**5,812.34**
Funding Pattern			
Working capital funding from banks(1)	712.54	1,190.16	0.00
Working capital funding from initial public offering(2)	0.00	0.00	1,650.00
Internal accruals	1,047.81	2,118.61	4,162.34

(1) Excluding current maturities of long-term debt and unsecured borrowings
(2) Initial public offering done by the Company in June 2022
Note: Pursuant to the certificate dated June 19, 2023, issued by our Statutory Auditors, Birju S. Shah & Associates, Chartered Accountants

Assumptions for our estimated working capital requirements*

The table below contains the details of the holding levels (days) considered:

Inventory Days:

As at March 31, 2021	As at March 31, 2022	As at March 31, 2023
134	206	286

Trade Receivable Days:

As at March 31, 2021	As at March 31, 2022	As at March 31, 2023
88	101	145

Trade Payable Days:

As at March 31, 2021	As at March 31, 2022	As at March 31, 2023

76	89	94

**Pursuant to the certificate dated June 19, 2023, issued by our Statutory Auditors, M/s. Birju S. Shah & Associates, Chartered Accountants.*

On the basis of existing working capital requirement of our Company on standalone basis, the historical holding levels and the assumptions for our estimated working capital requirements, our Fund Raising Committee pursuant to its resolution dated June 19, 2023, has approved the projected working capital requirements for Fiscal 2024 as ₹ 4,472.00 million. Accordingly, our Company proposes to utilize ₹ 450.00 million of the Net Proceeds in Fiscal 2024, towards our estimated working capital requirements. The balance portion of our working capital requirement shall be met from internal accruals and working capital facilities.

4. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ 1,705.00 million, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, business development initiatives, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Monitoring Utilization of Funds

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹ 1,000.00 million. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods 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 Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our financial results. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Interim Use of Proceeds

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and final listing and trading approvals are received from each of the Stock Exchanges and the corresponding return of Allotment is filed with the RoC. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by the Board and/or a duly authorized committee of the Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed objects as disclosed above and other applicable laws.

Other Confirmations

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management Personnel.

CAPITALISATION STATEMENT

The following table sets forth the capitalisation of our Company, on a consolidated basis, as at March 31, 2023 and as adjusted to give effect to the receipt of the gross proceeds of this Issue.

This table should be read in conjunction with sections entitled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 52 and 99, respectively.

(₹ in millions except ratios)

Particulars	Pre-Issue as at March 31, 2023	As adjusted for the Issue[1]
Total borrowings		
- Current borrowings	1.06	1.06
- Non-current borrowings (including current maturity)	0.00	0.00
Debt (A)	**1.06**	**1.06**
Total Equity		
- Equity Share capital	1,245.11	1,325.24
- Other equity	11,200.95	18,620.82
Total Equity (B)	**12,446.06**	**19,946.06**
Ratio: Debt / Total equity (A/B)	**0.00**	**0.00**

Notes:

[1] As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and gross proceeds from the Issue. Adjustments do not include Issue related expenses and for any other transactions or movements in such financial statements line items post March 31, 2023.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Placement Document, is set forth below:

(in ₹, except share data)

	Particulars	Aggregate value at face value#
A	**AUTHORISED SHARE CAPITAL**	
	147,500,000 Equity Shares	1,475,000,000
B	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL PRIOR TO THE ISSUE**	
	124,510,721 Equity Shares	1,245,107,210
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT (1)**	
	Up to 8,012,820 Equity Shares of face value of ₹ 10 each aggregating up to ₹ 7,500.00 million(1) (2)	80,128,200
D	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL AFTER THE ISSUE(2)**	
	132,523,541 Equity Shares	1,325,235,410
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	8,162,545,352.46
	After the Issue (2)(3)	15,582,416,672.46

(1) *This Issue was approved by the Board of Directors on May 6, 2023. Subsequently, our Shareholders, through a special resolution passed, approved this Issue at the AGM held on June 16, 2023.*
(2) *Subject to Allotment of Equity Shares pursuant to the Issue.*
(3) *The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue. Adjustments do not include Issue related expenses.*
#Except for securities premium account

Equity Share capital history of our Company

The history of the Equity Share capital of our Company as on the date of this Placement Document is provided in the following table:

Date of issue/allotment	Number of equity shares	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
January 23, 2013	60,200	10	10	Cash	Subscription to MoA	60,200	602,000
June 16, 2013	1,350,000	10	10	Cash	Preferential Allotment	1,410,200	14,102,000
July 13, 2013	7,150,000	10	10	Cash	Preferential Allotment	8,560,200	85,602,000
February 6, 2021	1,538,367	10	162.51	Not applicable	Conversion of 25,000,000 Preference Shares	10,098,567	100,985,670
November 17, 2021	100,985,670	10	-	Not applicable	Bonus Issue	111,084,237	1,110,842,370
November 27, 2021	1,607,160	10	642	Cash	Private Placement	112,691,397	1,126,913,970
May 5, 2022	2,024,921	10	642	Cash	Private Placement	114,716,318	1,147,163,180
May 31, 2022	97,66,355	10	642	Cash	Allotment pursuant to Initial Public Offering	124,482,673	1,244,826,730
November 20, 2022	28,048	10	321	Cash	Allotment of Equity Shares pursuant to the exercise of stock options under AIL ESOS 2021	124,510,721	1,245,107,210
Total						**124,510,721**	**1,245,107,210**

Preference Share Capital History of our Company

The history of the Preference Share capital of our Company as on the date of this Placement Document is provided in the following table:

Date of issue/allotment	Number of Preference Shares	Face value (₹)	Issue price per Preference Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Preference Shares	Cumulative paid-up Preference Share capital (₹)
January 25, 2016	25,000,000	10	10	Cash	Private Placement (conversion of an unsecured loan)	25,000,000	2,50,000,000
February 6, 2021	(25,000,000)	10	-	Not applicable	Conversion to 1,538,367 Equity Shares at a conversion price of ₹ 162.51 per Equity Share	-	-

Pre-Issue and post-Issue shareholding pattern of Company

The pre-Issue and post-Issue shareholding pattern of our Company, as on June 9, 2023, is set forth below:

#	Category	Pre-Issue (as on June 9, 2023) #		Post-Issue^**(as on June 9, 2023, for all categories except for institutional investors)	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
A. Promoters/ Promoter Group holding*					
1.	Indian				
	Individuals/ Hindu Undivided Family	108,306,402	86.99	108,306,402	81.73
	Bodies Corporate	-	0.00	-	0.00
	Sub-total	**108,306,402**	**86.99**	**108,306,402**	**81.73**
2.	Foreign promoter	110,000	0.09	110,000	0.08
	Sub-total (A)	**108,416,402**	**87.07**	**108,416,402**	**81.81**
B. Non-Promoter Holding					
1.	Institutional Investors				
	Domestic	11,174,239	8.97	18,341,521	13.84
	International	1,565,058	1.26	2,410,596	1.82
	Sub-total	**12,739,297**	**10.23**	**20,752,117**	**15.66**
2.	Non-Institutional Investors				
	Private Corporate Bodies	131,691	0.11	131,691	0.10
	Directors and Relatives	-	0.00	-	0.00
	Indian Public	2,303,585	1.85	2,303,585	1.74
	Others including Non Resident Indians (NRIs)	919,746	0.74	919,746	0.69
	Sub-total	**3,355,022**	**2.69**	**3,355,022**	**2.53**
	Sub-total (B)	**16,094,319**	**12.92**	**24,107,139**	**18.19**
	Grand Total (A+B)	**124,510,721**	**100.00**	**132,523,541**	**100.00**

#Based on beneficiary position data of our Company as on June 9, 2023.
**Includes shareholding of the members of the Promoter Group.*
^ Subject to Allotment of Equity Shares pursuant to the Issue
*** The post-Issue shareholding pattern of our Company reflects the shareholding of institutional investors category on the basis of Allocation made in the Issue and reflects the shareholding of all other categories as on June 9, 2023*

Aether Industries Limited - Employee Stock Option Scheme 2021 ("AIL ESOS 2021")

Our Company formulated an employee stock option scheme, namely, AIL ESOS 2021, originally approved as *"Aether Industries Limited -Employee Stock Option Scheme 2021"* pursuant to the resolution passed by our Board dated November 18, 2021 and by our Shareholders dated November 18, 2021, and the same was further modified and ratified *via* a resolution passed by our Shareholders in the AGM held on September 27, 2022, in compliance with Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable provisions, as amended. Under AIL ESOS 2021, the Nomination and

Remuneration Committee passed a resolution dated November 20, 2022 and accorded allotment of 28,048 Equity Shares of face value of ₹10 each at a premium of ₹311, together amounting to ₹9,003,408.

As on March 31, 2023, the details of options pursuant to AIL ESOS 2021 are as follows:

Particulars	Number of stock options
Total number of stock options	1,100,000
Stock options granted	221,686
Total number of stock options valid	202,196
Stock options vested and remain unexercised	0
Stock options exercised	28,048
Stock options lapsed / forfeited/ cancelled	19,490
Total stock options outstanding	174,148

Other confirmations

There would be no change in control in our Company consequent to this Issue.

Except as stated above, our Company has not made any allotment of Equity Shares or Preference Shares, including for consideration other than cash, in the last one year preceding the date of this Placement Document.

Our Equity Shares were not listed for a period of one year prior to the date of the issuance of the notice for the Shareholders, i.e., May 25, 2023, for approving this Issue. Our Company proposes to undertake the Issue for complying with the minimum public shareholding requirements specified in the Securities Contracts (Regulation) Rules, 1957.

Our Company has not allotted securities on preferential basis or private placement or by way of rights issue in the last one year preceding the date of this Placement Document.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on recognised stock exchanges in India.

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document, except for stock options granted under AIL ESOS 2021.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue*" on page 580.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) Fiscal 2023; (ii) Fiscal 2022; and (iii) Fiscal 2021, as per the requirements under Ind AS 24, please see the section entitled "*Financial Statements*" on page 309.

DIVIDENDS

The declaration and payment of dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. Our Board may also, from time to time, declare one or more interim dividends during any Financial Year. Our Board has approved and adopted a formal dividend policy on November 18, 2021, in terms of Regulation 43A of the SEBI Listing Regulations. ("**Dividend Policy**").

In accordance with the Dividend Policy, the Board will assess our Company's financial requirements, including consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company and other relevant factors and declare dividend in any Financial Year. The dividend for any Financial Year shall normally be paid out of our Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous Financial Year(s) in accordance with provisions of the Companies Act and the SEBI Listing Regulations, as applicable.

Our Company has not declared and paid any dividends on the Equity Shares in any of the three Financial Years preceding the filing of this Placement Document and until the filing of this Placement Document. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the Financial Year in which they have been allotted. For further information, please see the section entitled "*Description of the Equity Shares*" on page 298. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, See, "*Risk Factors* " on page 52.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based on, and should be read in conjunction with, the information in the section entitled "Selected Financial Information" beginning on page 41 of this Placement Document, and our Audited Standalone Financial Statements included in the section entitled "Financial Statements" beginning on page 309 of this Placement Document.

Our Audited Standalone Financial Statements as at, and for, the fiscal years ended March 31, 2021, 2022 and 2023 (including the schedules, notes and significant accounting policies thereto), have been prepared in accordance with Ind AS, read with the Companies (Indian Accounting Standards) Rules, 2015. Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Placement Document should accordingly be limited.

Statements in this Placement Document that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause our actual financial performance to differ materially from the conditions contemplated in such forward-looking statements. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person, or that these results will be achieved or are likely to be achieved. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors and contingencies that could affect our financial condition, results of operations and cash flows. You are advised to read the sections titled, "Forward-Looking Statements" and "Risk Factors" beginning on pages 16 and 52, respectively, which discuss a number of factors or contingencies that could affect our business, financial condition and results of operations. You are cautioned not to place undue reliance on these forward-looking statements.

*Unless otherwise indicated, all industry and market data used in this section has been derived from the "Indian Chemicals and Specialty Chemicals Market Report" dated June 16, 2023 (the "**F&S Report**"). Neither our Company nor the Book Running Lead Managers nor any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12 months period ended March 31 of that year.

Unless otherwise indicated or the context otherwise requires, the financial numbers pertaining to the financial years ended March 31, 2022, and March 31, 2023, have been derived from our Audited Standalone Financial Statements and the financial information for Fiscal 2021 have been extracted from our Special Purpose Audited Standalone Ind AS Financial Statements.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Aether Industries Limited on a standalone basis.

Overview

Principal Factors Affecting Our Results of Operations

Our financial performance and results of operations are influenced by a variety of factors, including without limitation, global and domestic competition, conditions in the markets of our end-user products, general economic conditions, changes in costs of raw materials and government regulations and policies. Some of the more important factors are discussed below, as well as in the section entitled "*Risk Factors*" beginning on page 52 of this Placement Document.

Raw materials price fluctuations and availability

Our cost of goods sold (which is the aggregate of our cost of materials consumed and changes in inventories of finished goods and work-in-progress) makes up a large portion of our operating expenses. During the Fiscal 2021, Fiscal 2022 and Fiscal 2023, our cost of goods sold (cost of materials consumed and changes in inventories of finished goods and work-in-progress) amounted to ₹ 2,306.88 million, ₹ 2,880.33 million and ₹ 3,173.39 million, respectively, which represented 51.28%, 48.82% and 48.74% of our revenue from operations for the respective periods. We source raw materials primarily from third-party suppliers, including through imports. Our raw materials include crude oil derivatives, such as phenol, and other commodities, such as hydrogen, ethylene oxide and Isobutylene gas. Other important raw materials include chlorobenzonitrile methanol, toluene, methylene dichloride tetrahydrofuran, dichlorotoluene and thiophene, amongst others. 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 periods or in the open market. The prices of our key raw materials globally have been volatile and any increases in the prices of these materials have an impact on our costs of production.

The prices of our raw materials are generally based on, or linked to, the international prices of such raw materials and the variations are typically passed on to the customer. As a result, while our revenues may fluctuate as a result of volatility in crude oil prices, our profitability is less significantly affected. In Fiscal 2023, our cost of materials as a percentage of revenue from operations decreased, primarily due to (i) our improved utilization of raw materials resulting in better yields on finished products; (ii) benefits from economies of scale due to our ability to source raw materials at better per unit pricing given our larger volume of purchases; and (iii) purchase of raw materials at lowered prices. However, we cannot assure you that the prices of our raw materials would not increase in the future or that our pricing model will enable us to avoid all effects from fluctuations in crude oil prices.

Where certain raw materials may not be available at commercially reasonable prices or at all, we may be unable to manufacture the products in which such raw materials are components at all until such raw materials become available again. Increases in prices of raw materials, or the unavailability thereof, could have a material adverse effect on our business, financial condition and results of operations.

Foreign exchange rate risk

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollar. Accordingly, we have currency exposures relating to buying, selling and financing in currencies other than in Indian Rupees, particularly the U.S. Dollar. For the Fiscal 2021, Fiscal 2022 and Fiscal 2023, 50.65%, 47.11% and 44.85%, respectively, of our revenue from operations were attributed to exports (excluding Deemed Exports). In Fiscal 2021, Fiscal 2022 and Fiscal 2023, our net foreign currency denominated sales (sales in foreign currency less expenses related to sales in foreign currency, excluding Deemed Exports) amounted to ₹2,278.25 million, ₹2,779.52 million and ₹2,920.37 million, respectively. For the Fiscals 2021, 2022 and 2023, 47.47%, 31.40% and 38.61%, respectively, of our raw materials were imported which included N-Octylamine, 2,6-Dichlorotoluene and Thiophene. We do not enter into any hedging activities for our foreign currency positions. Accordingly, we are affected by fluctuations in exchange rates among the U.S. Dollar, Indian Rupee and other currencies. In the Fiscal 2021, Fiscal 2022 and Fiscal 2023, we recorded gains of ₹18.32 million, ₹18.37 million and ₹36.65 million, respectively, due to these fluctuations in foreign currency. There can be no assurance that we will continue to record gains from foreign exchange fluctuations or any hedging measures we take will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies.

Capital expenditure

We require substantial capital to acquire new sites, to expand our existing facilities and to construct new facilities. In the Fiscal 2021, Fiscal 2022 and Fiscal 2023, we incurred capital expenditure of ₹ 800.62 million, ₹ 1,010.13 million and ₹3,915.11 million, respectively. A significant amount of our capital expenditure was aimed at constructing manufacturing and other facilities, increasing our manufacturing capacities and diversifying our product base.

As of March 31, 2023, we have three sites at Sachin in Surat (Gujarat, India). Our Manufacturing Facility 1 is an approximately 3,500 square meters facility including our R&D Facilities, our analytical sciences laboratories, our Pilot Plant, our CRAMS facility and our hydrogenation facility. Our Manufacturing Facility 2 spans approximately 10,500 square meters and acts as a large-scale manufacturing facility with an installed capacity of 6,096 MT per annum (for our solvent recovery plant ("**SRP Plant**"): 13,140 MT) distributed among three buildings that host 16 production streams (and one SRP Plant Stream), as of March 31, 2023. Our capacity utilization was 70.98% (for our SRP Plant: 69.44%) as of March 31, 2023, as certified by Dr. Pankaj Jayantilal Gandhi, Chartered Engineer. Our Manufacturing Facility 3 spans over land admeasuring 5,250 square metres and acts as a large-scale manufacturing facility with an installed capacity of approximately 3,500 MT per annum and is used for the production of speciality chemicals and intermediates for use in Pharmaceutical industry. See "—*Manufacturing and R&D Facilities*" below. Each facility is equipped to function independently, with its own quality department, effluent treatment plant and warehouse. Each facility is automated with DCS process automation, and built to the high standards of technology, engineering and automation. All the facilities are in close proximity to the Hazira Port and JNPT Port, which helps us save freight costs for our exports. We also have procured the ISO 9001:2015 certification for our Manufacturing Facility 1 and the ISO 14001:2015, ISO 45001:2018, ISO 27001:2013 and GMP certifications for our major operations at our Manufacturing Facility 2. We have also acquired additional land next to the existing Manufacturing Facility 3, with the intention of extending the Manufacturing Facility 3, which now consist of 10,500 square meters. We have entered into an agreement for acquiring land for Manufacturing Facility 4 at Sachin. We have acquired land for the Manufacturing Facility 5 at Panoli GIDC, Bharuch District, Gujarat. We have applied for the regulatory approvals for the Manufacturing Facility 5 and have started the wall fencing work.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in our Company and could adversely impact our Equity Share price.

Dependence of demand from pharmaceutical and agrochemical industries

As of March 31, 2023, we had over 28 commercial products including 24 pharmaceuticals, 1 coating and 3 agrochemical intermediates and specialty chemicals. Our products find applications across a number of therapeutic segments in the pharmaceuticals industry, including hypertension, anti-platelet, anti-psychotic, antihistamine and nonsteroidal anti-inflammatory drugs ("**NSAIDs**"). We also have products across other customer segments, such as agrochemicals, material science, coatings, multiple-use, high performance photography, food additives and oil and gas. During Fiscal 2023, revenues from our pharmaceutical products were ₹2,744.05 million, which represented 42.15% of our revenue from operations; and revenues from agrochemical products were ₹2,261.72 million, which represented 34.74% of our revenue from operations. Consequently, our revenues are dependent on the pharmaceutical and agrochemical industries that use our products as an input. The demand for our customers' end products is affected by a number of factors including, but not limited to (a) seasonality of demand for our customers' products, which may cause our manufacturing capacities to be underutilized during specific periods, (b) our customers' failure to successfully market their products or to compete effectively, (c) loss of market share, which may lead our customers to reduce or discontinue the purchase of our products, (d) economic conditions of the markets in which our customers operate, and global macroeconomic conditions. In spite of our diversified product portfolio, our results of operations are dependent of demand from the end-user industries. Decreases in demand from the end-user industries may result in increased inventories which may force us to sell certain products at a discount, resulting in lower profit margin for such products.

Reliance on major customers and relatively few products

Our customer base currently comprises a host of multinational and domestic companies. However, our top 20 customers represent a significant portion of our revenue. Of our revenue from operations during Fiscal 2021, Fiscal 2022 and Fiscal 2023, our largest customer contributed approximately 19.38%, 12.10% and 14.01%, respectively; our top 10 customers contributed to approximately 56.23%, 56.40% and 54.94%, respectively; and our top 20 customers contributed 73.50%, 73.30% and 69.92%, respectively. We expect that we will continue to be reliant on our major customers for the foreseeable future. We have long-term relationships and ongoing active engagements with many of our customers. Accordingly, any decrease in orders from any of these select customers and/or failure to retain such customers on terms that are commercially viable could adversely affect our business, financial condition and results of operations. In addition, any defaults or delays in payments by a major customer or a significant portion of our customers may have an adverse effect on business, financial condition and results of operations.

In addition, we rely on revenue from a small number of products. During Fiscal 2023, our top five specialty chemical products (4MEP, MMBC, T2E, BFA and HEEP) basis our revenue from operations represented 55.53% of our revenue from operations. Accordingly, any decrease in orders for these products, including changes in the markets for their end-products could adversely affect our business, financial condition and results of operations.

We have a number of supply contracts with customers of one-to-five-year duration, mostly with multinational clients and mainly for our CRAMS and contract manufacturing businesses. These supply contracts often require us to outlay capital to scale up our capacity and production. Our supply contracts with customers generally can be terminated by our customers with notice but often have termination penalties. Notwithstanding, the termination of supply contracts could adversely affect our business, financial condition and results of operations.

Competition

Our products are used in end-user industries, such as pharmaceuticals, agrochemicals, material sciences, high performance photography, coating, oil and gas amongst other industries. The broad-spectrum application of our products in the chemical industry is for advanced intermediates and significantly higher value specialty chemicals, which we believe is a unique position in the Indian chemical industry. Despite such uniqueness, it is inevitable that we face competition from other manufacturers, especially global manufacturers, for different products that we manufacture. Some foreign companies, may be able to produce chemicals at competitive costs and, consequently, supply their products at cheaper prices. Such competitors may also have greater financial and technological resources and may also have larger sales and marketing teams. They might be in a better position to identify market trends, adapt to changes in industry, innovate new products, offer competitive prices due to economies of scale and ensure product quality and compliance. While our products are sold towards the substantially higher value range, we are unable to assure you that we shall be able to continue to charge premium pricing. Inability to do so will adversely affect our financial condition and results of operation.

Costs of electricity

Electricity is critical for the continued operations of our manufacturing facilities. For the Fiscal 2021, Fiscal 2022 and Fiscal 2023, our electricity charges accounted for 2.88%, 3.64% and 2.94% of our revenue from operations for such years, respectively, and our power and fuel costs (comprised of gas expenses, steam charges and diesel expenses) accounted for 3.09%, 5.15% and 5.59% of our revenue from operations for such years, respectively. From Fiscal 2021 to Fiscal 2023, (i) our steam charges had increased from ₹83.40 million in Fiscal 2021 to ₹230.23 million in Fiscal 2023 and (ii) electricity expenses had increased from ₹129.64 million in Fiscal 2021 to ₹191.45 million in Fiscal 2023, primarily due to increases in coal prices and crude oil prices, along with an overall increase in our production activities. Further increases in coal and/or crude oil prices will further increase our power and fuel costs, thereby increasing our expenses and adversely affect our financial condition and results of operations. In addition, while we have backup electricity generators, any prolonged electricity shortage may still adversely affect our business operations and thereby our results of operations.

Statement of Significant Accounting Policies (As per Audited Standalone Financial Statements)

I. Basis of Preparation and Presentation of Financial Statements:

Compliance with Ind AS

The Audited Standalone Financial Statements are prepared in accordance with Indian Accounting Standards ("**Ind AS**"), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1, 2018, our Company has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2018 at the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

Basis of Preparation

(i) The Audited Ind AS Statement of Assets and Liabilities of our Company as at March 31, 2023 and March 31, 2022 respectively and the Audited Ind AS Statement of Profit and Loss, Audited Ind AS Statement of Changes in Equity and Audited Ind AS Statement of Cash Flows for the year ended March 31, 2023 and March 31, 2022 respectively (hereinafter collectively referred to as "**Ind AS Financial Information**") have been prepared under Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act, 2013 (the "**Act**") and other relevant provisions of the Act as amended from time to time.

(ii) The audited financial statements of our Company as at and for the year ended March 31, 2023 prepared in accordance with recognition and measurement principles under Indian Accounting Standard ('Ind AS') 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 6, 2023.

The Board of Directors approved the Financial Statements as per the Ind AS, for the year ended on March 31, 2023, along with Financial Statements for the year ended March 31, 2022 and authorised to issue the same vide resolution passed in the Board Meeting held on May 6, 2023.

Basis of measurement

The Audited Standalone Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013. Historical cost is generally based at the fair value of the consideration given in exchange for goods and services. The exceptions to the same are:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and

- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of define benefit obligations.

Current and Non-current classification of Assets and Liabilities:

The Statement of Assets and Liabilities and the Statement of Profit and Loss, including related notes, are prepared and presented as per the requirements of Schedule III (division II) to the Companies Act, 2013. All assets and liabilities have been classified and disclosed as current or non-current as per our Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, our Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Functional and Presentation Currency:

The functional and presentation currency in these Audited Standalone Financial Statements is ₹ (INR) and all amounts are rounded to nearest million, up to 2 decimal places, unless otherwise stated.

Use of Judgements, Estimates and Assumptions:

The preparation of Audited Standalone Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and the disclosure of the contingent liabilities on the date of the preparation of the Audited Standalone Financial Statements. Such estimates are on a reasonable and prudent basis considering all available information, however due to uncertainties about these judgements, estimates and assumptions, the actual results could differ from those estimates. Information about each of these estimates and judgements is included in relevant notes. Any revision to accounting estimates is recognised prospectively in current and future periods.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Audited Standalone Financial Statements is included in the following notes:

Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment, assumptions and estimation uncertainties are provided here, whereas the quantitative break-ups for the same are provided in the notes mentioned below:

- Note 3 and Note 6: Useful life of depreciable assets, Property, Plant and Equipment and Other Intangible Assets.
- Note 38: Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 36: Recognition of tax expenses including deferred tax.
- Note 45: Defined benefit obligation, key actuarial assumptions.
- Note 12: Impairment of trade receivables.
- Note 10: Valuation of Inventories.

Going Concern Assumption:

These Audited Standalone Financial Statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the various situations, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this Audited Standalone Financial Statements. Based on this evaluation, management believes that our Company will be able to continue as a "going concern" in the foreseeable future and for a period of at least twelve months from the date of these Audited Standalone Financial Statements based on the following:

- Expected future operating cash flows based on business projections, and
- Available credit facilities with its bankers

Based on the above factors, the management has concluded that the "going concern" assumption is appropriate. Accordingly, the Audited Standalone Financial Statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should our Company be unable to continue as a going concern.

Reclassification:

Our Company reclassifies comparative amounts, unless impracticable and whenever our Company changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

Revenue Recognition and Other Income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to our Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sale of goods is recognized, when the control is transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Property, plant and equipment

Recognition and measurement:

Our Company has elected to continue with the carrying value of Property, Plant and Equipment ('**PPE**') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable import duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spares parts procured along with the Plant and Equipment or subsequently having value of ₹ 50,000 or more individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is de-recognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to our Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of day-to-day servicing of the property, plant and equipment are recognised in the statement of profit and loss as and when it is incurred.

Disposal:

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment 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 and loss when the asset is derecognized.

Depreciation:

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

The revised estimated useful life of all property, plant and equipment, as stipulated by Schedule II to the Companies Act, 2013 and adopted by the management for various block of assets, as under:

Asset Description	Useful Life (in years)
Factory Building	30
Other Building	10
Plant and Machinery	20
Plant and Machinery (Pipelines)	15
Office Equipment	05
Factory Equipment	10
Computer Equipment (Serves & Networks)	06
Computer Equipment (Others)	03
Other Equipment	10
Furniture and Fixtures	10
Vehicle Equipment	08

Impairment of Non-Financial Assets:

Our Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, our Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount, Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Intangible Assets:

Recognition and measurement:

Intangible assets are recognised when the asset is identifiable, is within the control of our Company, it is probable that the future economic benefits that are attributable to the asset will flow to our Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by our Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually, or at the cash-generating unit level.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and our Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

Subsequent measurement:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation:
The useful lives of intangible sets are assessed as either finite or indefinite.

Intangible assets, i.e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The estimated useful life of the intangible assets is as under:

Asset Description	Useful Life (in years)
Software and Licenses	06
Trademarks	04
Other Assets	04

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Disposal:

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 and loss when the asset is de-recognized.

Financial Assets:

i. Fair Value Assessment:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, our Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Audited Standalone Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Our Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Audited Standalone Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

ii. Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified into three categories:

a. Financial assets measured at amortized costs;
b. Financial assets at fair value through Other Comprehensive Income ("OCI"); and
c. Financial assets at fair value through profit or loss.

iii. Financial assets measured at amortized costs:

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. 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 our statements of profit and loss.

iv. Financial assets at fair value through OCI ("FVTOCI"):

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by- instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income. However, our Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statements of profit and loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss.

v. **Financial assets at fair value through profit or loss ("FVTPL"):**

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in our statements of profit and loss.

vi. **Derecognition:**

Our Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If our Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, our Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

vii. **Impairment of financial assets**:

A. We assess impairment based on expected credit loss ("ECL") model on the following:
- Financial assets that are measured at amortized cost; and
- Financial assets measured at FVTOCI.

B. ECL is measured through a loss allowance based on one of the following basis:
- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments).

Financial Liabilities:

i. Our Company's financial liabilities include trade payable.

ii. **Initial recognition and measurement:** All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in our statements of profit and loss.

iii. **Subsequent measurement:** For purposes of subsequent measurement financial liabilities are classified in two categories:
a. Financial liabilities measured at amortized cost;
b. Financial liabilities measured at fair value through profit and loss.

iv. **Financial liabilities classified as amortized cost:** Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised 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. Interest expense that is not capitalized as part of costs of assets is included as finance costs in our statements of profit and loss.

v. **Financial liabilities classified as fair value through profit and loss:** Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied. Exports benefits are accounted for in the year of exports based on the eligibility and when there is certainty of receiving the same.

vi. **Derecognition:** A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. 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 de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in our statements of profit and loss.

vii. **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.

Other incomes, other than interest and dividend are recognized when the same are due to be received and right to receive such other income is established.

Inventories:

i. Raw materials, work in progress, finished goods, packing materials, stores, spares and consumables are carried at the lower of cost and net realisable value.
ii. In determining the cost of raw materials, packing materials, stores, spares and consumables, FIFO method is used. Cost of inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
iii. Cost of finished goods includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.
iv. Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item.

Lease:

At inception of a contract, our Company assesses whether a contract is, or contains, a lease. 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, our Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a sustentive substitution right, then the asset is not identified.

- our Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- our Company has the right to direct the use of the asset. Our Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, our Company has the right to direct the use of the asset if either:

our Company has the right to operate the asset; or
our Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, our Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as a lessee

Our Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets re determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, our Company's incremental borrowing rate. Generally, our Company uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that our Company is reasonably certain to exercise, lease payments in an optional renewal period if our Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless our Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change in an index or rate, if there is change in our Company's estimate of the amount expected to be payable under a residual value guarantee, or if our Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease remaining as on the date of purchase.

Short-term leases and leases of low-value assets:

Our Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease terms of 12 months of less and leases of low-value assets. Our Company recognises the lease payments associated with such leases as an expense on a straight-line basis over the lease term.

Income Taxes:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates (as prescribed in the Income Tax Act, 1961) used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where our Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that our Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be 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 asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that our Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that our Company will pay normal income tax during the specified period.

Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowings of the funds.

Provisions and Contingent Liabilities:

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When our Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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 costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

Cash Flows and Cash and Cash Equivalents:

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

Current versus Non-Current Classification:

Our Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:
- · Expected to be realized or intended to be sold or consumed in the 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.

b) A liability is current when:
- · It is expected to be settled in the 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.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

Employee Benefits:

Short-term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Undiscounted value of benefits such as salaries, incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

Long-term Employee Benefits:

Defined Contribution Plans:

Our Company contributes to the employee's approved provident fund scheme. Our Company's contribution paid/payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

Defined Benefit Plans:

Gratuity Liability is a defined benefit obligation and is provided on the basis of an actuarial valuation model made at the end of the Financial Year. The Gratuity Liability is funded by our Company by maintaining the funds with a separate Asset Management Company, i. e., LIC of India. Contributions to such fund is charged to Profit & Loss Account. Actuarial Valuation of the Gratuity is done at the end of the Financial Year and accounted for accordingly.

Earnings Per Share:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of our Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of our Company have been identified as being the chief operating decision maker by the management of our Company.

Foreign Currency Transactions:

Transactions in foreign currencies are translated into the respective functional currency of our Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monitory assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monitory items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of profit and loss.

Government Grants and Subsidies:

Grants / subsidies that compensate our Company for expenses incurred are recognised in the statement of profit and loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

Export Incentives:

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that our Company will comply with the conditions associated with the grant and ultimate collection exist.

Recent accounting pronouncements

The Ministry of Corporate Affairs notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The Ministry of Corporate Affairs amended Schedule III of the Companies Act, 2013, through a notification dated March 24, 2021. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Our Company has evaluated and given the effect of the amendments on its Audited Standalone Financial Statements.

Changes in the accounting policies, if any, in the last three years and their effect on our profits and reserves

There have been no changes in accounting policies of our Company during the Fiscal 2021, Fiscal 2022 or Fiscal 2023.

EBITDA, EBITDA Margin, PAT Margin and ROCE

The following table sets forth our EBITDA, EBITDA Margin, PAT Margin and ROCE, including a reconciliation of (i) EBITDA and EBITDA Margin to our profits/losses before tax and prior period items, and (ii) PAT Margin and ROCE to our profits/losses, in each of the Fiscal 2021, Fiscal 2022 and Fiscal 2023.

(*in ₹ millions, except percentages*)

Particulars	**For the fiscal year ended March 31,**		
	2021	**2022**	**2023**
Total income (A)	4,537.89	5,970.21	6,676.39
Revenue from operations (B)	4,498.16	5,900.47	6,510.74
Profit before tax and prior period items (C)	**938.06**	**1,464.73**	**1,744.79**
Add: Finance costs (D)	113.15	131.21	50.93
Add: Depreciation and amortization expenses (E)	110.11	154.87	232.45
Less: Other income (F)	39.73	69.74	165.65
EBITDA (G=C+D+E-F)	**1,121.59**	**1,681.07**	**1,862.51**
EBITDA Margin (H=G/B)	**24.93%**	**28.49%**	**28.61%**
Profit for the period (I)	**711.19**	**1,089.29**	**1,304.17**
Total equity (J)	1,743.33	3,868.89	12,446.09

Capital Employed and Return on Capital Employed (ROCE)

The following table sets forth our Capital Employed and Return on Capital Employed (ROCE), including a reconciliation of ROCE to our profits/losses before tax and prior period items in each of the Fiscal 2021, Fiscal 2022 and Fiscal 2023.

(*in ₹ millions, except percentages*)

Particulars	For the fiscal year ended March 31,		
	2021	2022	2023
Profit before tax and prior period items (A)	938.06	1,464.73	1,744.79
Add: Finance costs (B)	113.15	131.21	50.93
Less: Other income (C)	39.73	69.74	165.65
EBIT (D=A+B-C)	**1,011.48**	**1,526.20**	**1,630.06**
Total equity (E)	1,743.33	3,868.89	12,446.09
Non-current borrowings (F)	1,037.87	1,218.13	0.00
Current borrowings (G)	1,044.13	1,632.62	1.06
Current investments (H)	220.90	170.11	10.01
Cash & cash equivalents (I)	35.14	33.39	708.64
Bank balance other than cash & cash equivalents (J)	20.49	146.77	313.81
Capital Employed (K=E+F+G-H-I-J)	**3,548.80**	**6,369.36**	**11,414.69**
***ROCE (L=D/K)**	**28.50%**	**23.96%**	**14.28%**

Debt, Net Debt, Debt-Equity Ratio and Net Debt-EBITDA Ratio

The following table sets forth our Debt, Net Debt, Debt-Equity Ratio and Net Debt-EBITDA Ratio as at March 31, 2021, March 31, 2022 and March 31, 2023.

(*in ₹ millions, except ratios*)

Particulars	As at March 31,		
	2021	2022	2023
Non-current borrowings (A)	1,037.87	1,218.13	0.00
Current borrowings (B)	1,044.13	1,632.62	1.06
Debt (C=A+B)	**2,082.00**	**2,850.75**	**1.06**
Total equity (D)	1,743.33	3,868.89	12,446.09
Debt-Equity Ratio (E=C/D)	**1.19**	**0.74**	**0.00**
Total liabilities (G)	2,786.11	3,829.37	1,353.08
Less: cash and cash equivalents and bank balances (H)	55.63	180.16	1.022.45
Net Debt (I=G-H)	**2,730.48**	**3,649.21**	**330.62**
EBITDA (J)	**1,121.59**	**1,681.07**	**1,862.51**
***Net Debt-EBITDA Ratio (K=I/J)**	**2.43**	**2.17**	**0.18**

Overview of Revenue and Expenditure

The following descriptions set forth information with respect to key components of our income statement.

Revenue

Revenue from operations

Revenue from operations comprises income from:

Sale of products manufactured under our three business models, namely (i) Large-Scale Manufacturing of Specialty Chemicals, (ii) Contract Manufacturing, and (iii) Contract Research and Manufacturing Services ("**CRAMS**"). Such sales of products can be divided into (i) local sales, (ii) export sales, (iii) deemed exports (representing sales to Indian companies under an advance authorization license) and (iv) export sales under our CRAMS business model.

Sale of services under our CRAMS business model. Such sales can be divided into services provided to (i) overseas customers and (ii) customers in India.

Other Income

Other income primarily comprises interest income, income from foreign exchange fluctuation, MEIS Duty Credit, SEIS duty credit, interest subsidy, exports duty drawback, interest accrued on loans to employees, interest on income tax refund, amongst others.

Expenditure

Our expenditure comprises the following:

Cost of materials consumed operation: Cost of materials consumed comprises (i) the cost of raw materials used in the manufacture of our products; (ii) the cost of packing materials; (iii) the cost of stores and spares; and (iv) the cost of other materials. Our raw materials include crude oil derivatives such as phenol and other commodities such as hydrogen, ethylene oxide and Isobutylene gas. Other important raw materials include chlorobenzonitrile methanol, toluene, methylene dichloride tetrahydrofuran, dichlorotoluene and thiophene, amongst others.

Changes in inventories of finished goods and work-in-progress: Expenses accounted for pursuant to an (increase)/decrease in inventories of finished goods and work-in-progress.

*Employee Benefits Expense*s: Employee benefit expenses comprises salaries, wages and bonus, contribution to provident and other funds, gratuity, staff welfare expenses, leave encashment expenses, employee medical insurance expenses, ESOPs benefit and other employee related expenses.

Finance Costs: Finance costs comprises interest expenses on term loan, cash credit, Packing Credit Loan in Foreign Currency (PCFC), bill discounting, Stand by Letter of Credit (SLC), car loans, other unsecured loans and interest on finance lease.

Depreciation and Amortisation Expenses: Depreciation and amortization expenses comprises depreciation of tangible assets including our plant and machinery, building, factory equipment, computer equipment, office and other equipment, furniture and fixture, amongst others; and amortization of intangible assets including computer software and others; and amortization of leasehold land and right of use assets.

Other Expenses: Other expenses comprise primarily of (a) manufacturing expenses, such as gas expenses, steam charges, diesel expenses, water, fees paid to third party workers for solvent recovery services (classified as 'job work charges' in our Audited Standalone Financial Statements), effluent disposal, and fees paid to contract workers (classified as 'manpower supply expenses' in our Audited Standalone Financial Statements), amongst others; (b) administrative and general expenses, such as rents, salaries to directors, repairs and maintenance expenses, electricity expenses, legal and professional charges, amongst others; (c) selling and distribution expenses, such as freight and selling expenses and commissions paid to selling agents, amongst others; and (d) other expenses, such as loan processing fees and other documentation charges and bank charges, amongst others.

Operating Segment and Business Models

Our Company is exclusively engaged in the business of manufacturing of organic chemicals. As such, in accordance with Ind AS, our Company's business is considered to constitute one single primary segment.

Geographic information

The geographic information analyses our revenues by our country of domicile and other countries for the years indicated. In presenting geographic information, revenue has been based on the location of the customers.

(₹ in millions)

Sales Value	**For Fiscal 2021**	**For Fiscal 2022**	**For Fiscal 2023**
India (including deemed exports)	2,219.91	3,467.93	3,871.43
Rest of the World (including exports to SEZ)	2,278.25	2,432.54	2,639.31
Total	**4,498.16**	**5,900.47**	**6,510.74**

The following table sets out the total carrying amount of assets as at March 31, 2023, March 31, 2022 and March 31, 2021, broken down by location of the assets.

(₹ in millions)

Non-current assets*	**As at March 31, 2021**	**As at March 31, 2022**	**As at March 31, 2023**
India	607.14	962.10	1,066.06
Rest of the World	475.26	672.71	1,523.75
Total	**1,082.40**	**1,634.80**	**2,589.82**

** segment assets represent trade receivables*

Business models

We have three broad business models within our primary operating segment, which are (a) Large-Scale

Manufacturing of Specialty Chemicals, (b) Contract Manufacturing, and (c) Contract Research and Manufacturing Services ("CRAMS"), and our geographical segments: The following table sets out our revenue for each of the fiscal years mentioned, broken down by our three (3) business models.

(₹ in millions)

Particulars	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023
Business Models			
Revenue			
Large-Scale Manufacturing of Specialty Chemicals	3,249.18	3,955.02	3,356.91
Contract Manufacturing	871.57	1,402.39	2,233.79
CRAMS	359.04	479.05	816.59
Others[1]	18.37	64.00	103.45
Revenue from Operations	**4,498.16**	**5,900.47**	**6,510.74**

[1] *"Others" represents sale of wastage material, as well as packing material and certain raw material no longer required in our production activities.*

Our Results of Operations for Fiscal 2021, Fiscal 2022 and Fiscal 2023

The following table sets forth select financial data from our standalone audited statements of profit and loss for the Fiscals ended March 31, 2021, March 31, 2022 and March 31, 2023, the components of which are also expressed as a percentage of total income for such years:

Particulars	For the year ended March 31					
	2021		2022		2023	
	(₹ in Million)	% of Total Income	(₹ in Million)	% of Total Income	(₹ in Million)	% of Total Income
Revenue						
Revenue from operations	4,498.16	99.12	5,900.47	98.83	6,510.74	97.52
Other income	39.73	0.88	69.74	1.17	165.65	2.48
Total income	**4,537.89**	**100.00**	**5,970.21**	**100.00**	**6,676.39**	**100.00**
Expenses						
Cost of materials consumed	2,249.16	49.56	3,585.21	60.05	3,796.14	56.86
Changes in inventories of finished goods and work-in-progress	57.72	1.27	(704.88)	(11.81)	(622.76)	(9.33)
Employee benefits expenses	221.13	4.87	270.44	4.53	344.57	5.16
Finance costs	113.15	2.49	131.21	2.20	50.93	0.76
Depreciation and amortization expenses	110.11	2.43	154.87	2.59	232.45	3.48
Other expenses	848.56	18.70	1,068.63	17.90	1,130.27	16.93
Total expenses	**3,599.83**	**79.33**	**4,505.48**	**75.47**	**4,931.60**	**73.87**
Profit before tax	**938.06**	**20.67**	**1,464.73**	**24.53**	**1,744.79**	**26.13**
Tax expenses:						
Current tax	201.00	4.43	338.73	5.67	311.22	4.66
Deferred tax	25.87	0.57	36.72	0.62	129.39	1.94
Total tax expenses	**226.87**	**5.00**	**375.44**	**6.29**	**440.61**	**6.60**
Profit for the period (A)	**711.19**	**15.67**	**1,089.29**	**18.25**	**1,304.17**	**19.53**
Other comprehensive income (loss)/income						
Items that will not be reclassified subsequently to profit and loss						
i. Remeasurement of defined benefit liability / (asset)	(0.86)	(0.02)	(1.98)	(0.03)	(1.67)	(0.03)
ii. Income tax relating to remeasurements of defined benefit liability / (asset)	0.22	0.00	0.50	0.01	0.42	0.01
Total others (B)	(0.64)	(0.01)	(1.48)	(0.02)	(1.25)	(0.02)
Total comprehensive income for the period (A+B)	**710.55**	**15.66**	**1,087.81**	**18.22**	**1,302.93**	**19.52**

Results of operations for the Fiscal 2023 compared with Fiscal 2022

(₹ in millions)

Particulars	For the year ended March 31,		Change (%)
	2023	2022	
Income			
Revenue from operations	6,510.74	5,900.47	10.34
Other income	165.65	69.74	137.53
Total revenue	**6,676.39**	**5,970.21**	**11.83**
Expenses			
Cost of materials consumed	3,796.14	3,585.21	5.88
Changes in inventories of finished goods and work-in-progress	(622.76)	(704.88)	(11.65)
Employee benefits expenses	344.57	270.44	27.41
Finance costs	50.93	131.21	(61.19)
Depreciation and amortization expenses	232.45	154.87	50.09
Other expenses	1,130.27	1,068.63	5.77
Total expenses	**4,931.60**	**4,505.48**	**9.46**
Profit before tax	**1,744.79**	**1,464.73**	**19.12**
Tax expenses:			
Current tax	311.22	338.73	(8.12)
Deferred tax	129.39	36.72	252.37
Total tax expenses	**440.61**	**375.45**	**17.36**
Profit for the year	**1,304.17**	**1,089.29**	**19.73**

Revenue from operations

Our revenue from operations increased by 10.34% from ₹5,900.47 million in Fiscal 2022 to ₹6,510.74 million in Fiscal 2023. This increase can be primarily attributed to increase in revenues from CRAMS and contract/exclusive manufacturing business models.

Other Income

Our other income increased by 137.53% from ₹69.74 million in Fiscal 2022 to ₹165.65 million in Fiscal 2023. Such increase was primarily due to (i) an increase in income resulting from foreign exchange fluctuations from ₹ 18.37 million in Fiscal Year 2022 to ₹ 36.65 million in Fiscal Year 2023, which was mainly the result of an appreciation of the foreign currencies against Indian Rupee and foreign exchange management by our Company;(ii) an increase in Service / Merchandise Exports from India Scheme (SEIS / MEIS) duty credit given to us by the Government from ₹ 21.65 million in Fiscal Year 2022 to ₹ 24.54 million in Fiscal Year 2023 as a result of our increased exports, (iii) interest on FDs created out of idle IPO funds, which helped us earn ₹ 74.23 million in Fiscal Year 2023, compared against ₹ 4.64 million in Fiscal Year 2022 on normal FDs created for margin monies, and (iv) income from mutual funds which increased from ₹ 3.22 million in Fiscal Year 2022 to ₹ 8.55 million in Fiscal Year 2023, mainly because of investment by our Company of unutilised funds from internal accruals in Mutual Funds of short duration.

Cost of Materials Consumed

Our cost of materials consumed increased by 5.88% from ₹3,585.21 million in Fiscal 2022 to ₹3,796.14 million in Fiscal 2023, primarily due to increase in the volume of products manufactured.

Change in inventories of finished goods and work-in-progress

Our opening stock of (i) finished goods was ₹549.57 million as at April 1, 2022, while it was ₹115.06 million as at April 1, 2021, and (ii) work-in-progress was ₹426.68 million as at April 1, 2022, while it was ₹156.31 million as at April 1, 2021.

Our closing stock of (i) finished goods was ₹536.19 million as at March 31, 2023, while it was ₹549.57 million as at March 31, 2022, and (ii) work-in-progress was ₹1,062.81 million as at March 31, 2023, while it was ₹426.68 million as at March 31, 2022.

The reduction in our change in inventories of finished goods and work-in-progress to ₹622.76 million in Fiscal

2023 from ₹704.88 million in Fiscal 2022 was primarily as a result of increase in closing stock of work-in-progress by ₹636.13 million and reduction in closing inventory of furnished goods by ₹13.37 million as at March 31, 2023, respectively.

Employee Benefits Expense

Our employee benefits expense increased by 27.41% from ₹270.44 million in Fiscal 2022 to ₹344.57 million in Fiscal 2023 due to (i) yearly increments in the salaries of the employees, (ii) ESOPs benefit impact for the options granted to employees, and (iii) increase in the employee strength due to increase in production and research activities.

Finance Costs

Our finance costs decreased by 61.19% from ₹131.21 million in Fiscal 2022 to ₹50.93 million in Fiscal 2023, primarily due to the fact that our Company paid off all its Term Loans (taken from State Bank of India and HDFC Bank Limited) from the IPO proceeds. Our Company at that time, had also zero down all the Working Capital Limits as well from the IPO proceeds.

Depreciation and Amortization Expense

Our depreciation and amortization expense increased by 50.09% from ₹154.87 million in Fiscal 2022 to ₹232.45 million in Fiscal 2023, primarily due to an increase in depreciation on plant and machinery installed in our new manufacturing unit/plant constructed on our second manufacturing facility (Manufacturing Facility-2), which is in line with the increased operations. The increase is also attributable to the 16MW Solar Power Plant, which was commissioned in July 2022 and the Manufacturing Site-3, which was operational from Q4 of FY 2023.

Other expenses

Our other expenses increased by 5.77% from ₹1,068.63 million in Fiscal 2022 to ₹1,130.27 million in Fiscal 2023, generally in line with the increase in our production volume. The increase was because of (i) reduction in electricity charges, which was due to the 16MW Solar Power Plant, which was commissioned in July 2022 and which helped our Company lower this cost, and (ii) reduction in job work charges, as our Company now has a dedicated SRP plant.

Profit before tax

As a result of the foregoing, we recorded an increase of 19.12% in our profit before tax, which amounted to ₹1,744.79 million in Fiscal 2023, as compared to ₹1,464.73 million in Fiscal 2022.

Tax expenses

Our tax expenses (current and deferred) increased by 17.36% from ₹375.45million in Fiscal 2022 to ₹440.61 million in Fiscal 2023. Our effective tax rate in Fiscal 2023 and Fiscal 2022 was 25.25% and 25.63%, respectively. The decrease in our effective tax rate Fiscal 2022 was primarily due to a reduction in income tax due to the installation of 16MW solar power plant, which has been depreciated at 40.00% in Fiscal 2023.

Profit for the period

As a result of the foregoing, we recorded an increase of 19.73% in our profit for the year from ₹1,089.29 million in Fiscal 2022 to ₹1,304.17 million in Fiscal 2023.

Results of operations for the Fiscal 2022 compared with Fiscal 2021

(₹ in millions)

Particulars	**For the year ended March 31,**		**Change (%)**
	2022	**2021**	
Income			
Revenue from operations	5,900.47	4,498.16	31.18

Particulars	For the year ended March 31,		Change (%)
	2022	2021	
Other income	69.74	39.73	75.53
Total revenue	**5,970.21**	**4,537.89**	**31.56**
Expenses			
Cost of materials consumed	3,585.21	2,249.16	59.40
Changes in inventories of finished goods and work-in-progress	(704.88)	57.72	(1,321.21)
Employee benefits expenses	270.44	221.13	22.30
Finance costs	131.21	113.15	15.96
Depreciation and amortization expenses	154.87	110.11	40.65
Other expenses	1,068.63	848.56	25.93
Total expenses	**4,505.48**	**3,599.83**	**25.16**
Profit before tax	**1,464.73**	**938.06**	**56.14**
Tax expenses:			
Current tax	338.73	201.00	68.52
Deferred tax	36.72	25.87	41.94
Total tax expenses	**375.44**	**226.87**	**65.49**
Profit for the year	**1,089.29**	**711.19**	**53.16**

Revenue from operations

Our revenue from operations increased by 31.18% from ₹4,498.16 million in Fiscal 2021 to ₹5,900.47 million in Fiscal 2022. This increase can be primarily attributed to increase in the volume of sales of products in large scale manufacturing business model and also overall increase in CRAMS and contract / exclusive manufacturing business models.

Other Income

Our other income increased by 75.53% from ₹39.73 million in Fiscal 2021 to ₹69.74 million in Fiscal 2022. Such increase was primarily due to (i) increase in interest incomes, (ii) increase in gain from foreign exchange fluctuations, (iii) increase in revenue due to exports duty drawback, MEIS duty credit, income from mutual funds and (iv) interest subsidy received for the first time in Fiscal 2022.

Cost of Materials Consumed

Our cost of materials consumed increased by 59.40% from ₹2,249.16 million in Fiscal 2021 to ₹3,585.21 million in Fiscal 2022, primarily due to increase in the normal production activities.

Change in inventories of finished goods and work-in-progress

Our opening stock of (i) finished goods was ₹115.06 million as at April 1, 2021, while it was ₹181.28 million as at April 1, 2020, and (ii) work-in-progress was ₹156.31 million as at April 1, 2021, while it was ₹147.81 million as at April 1, 2020.

Our closing stock of (i) finished goods was ₹549.57 million as at March 31, 2022, while it was ₹115.06 million as at March 31, 2021, and (ii) work-in-progress was ₹426.68 million as at March 31, 2022, while it was ₹156.31 million as at March 31, 2021.

The reduction in our change in inventories of finished goods and work-in-progress to ₹704.88 million in Fiscal 2022 from ₹57.72 million in Fiscal 2021 was primarily a result of an increase in closing stock of finished goods and work-in-progress by ₹434.51 million and ₹ 270.37 million as at March 31, 2022, respectively.

Employee Benefits Expense

Our employee benefits expense increased by 22.30% from ₹221.13 million in Fiscal 2021 to ₹270.44 million in Fiscal 2022 due to (i) yearly increments in the salaries of the employees, (ii) ESOPs benefit impact for the options granted to employees, (iii) increase in the employee strength due to increase in production and research activities.

Finance Costs

Our finance costs increased by 15.96% from ₹113.15 million in Fiscal 2021 to ₹131.21 million in Fiscal 2022, primarily due to increase in term loans for the various capex being done by our Company in Fiscal 2022 and also due to use of working capital limits from the banks.

Depreciation and Amortization Expense

Our depreciation and amortization expense increased by 40.65% from ₹110.11 million in Fiscal 2021 to ₹154.87 million in Fiscal 2022, primarily due to more depreciation on the newly added capex at production and research units.

Other expenses

Our other expenses increased by 25.93% from ₹848.56 million in Fiscal 2021 to ₹1,068.63million in Fiscal 2022, generally in line with the increase in our production volume. Specifically, the increase was mainly driven by increase in various utility costs like steam, gas, electricity, ETP expenses.

Profit before tax

As a result of the foregoing, we recorded an increase of 56.14% in our profit before tax, which amounted to ₹938.06 million in Fiscal 2021, as compared to ₹1,464.73 million in Fiscal 2022.

Tax expenses

Our tax expenses (current and deferred) increased by 65.49% from ₹226.87 million in Fiscal 2021 to ₹375.44 million in Fiscal 2022. Our effective tax rate in Fiscal 2021 and Fiscal 2022 was 24.19% and 25.63%, respectively. The increase in our effective tax rate Fiscal 2022 was primarily due to an overall increase in the profit margin of our Company.

Profit for the period

As a result of the foregoing, we recorded an increase of 53.16% in our profit for the year from ₹711.19 million in Fiscal 2021 to ₹1,089.29 million in Fiscal 2022.

Liquidity and Capital Resources

Capital Requirements

Our principal capital requirements are for payment of principal and interest on our borrowings, capital expenditure and working capital. Our principal source of funding has been and is expected to continue to be, cash generated from our operations, supplemented by borrowings from banks and financial institutions and optimization of operating working capital. For Fiscal 2021, Fiscal 2022 and Fiscal 2023, we met our funding requirements, including satisfaction of debt obligations, capital expenditure, investments, other working capital requirements, pay outs to shareholders and other cash outlays, principally with funds generated from operations, optimization of operating working capital with the balance met from external borrowings, borrowings from Promoters and a fund raising by way of the initial public offering.

For the expansion projects that we intend to undertake, we will be utilizing a portion of the funds raised from this Issue along with internal accruals.

Liquidity

Our liquidity requirements arise principally from our operating activities, capital expenditures for construction of new facilities and undertaking of new projects and the repayment of borrowings. Historically, our principal sources of funding have included cash from operations, short-term and long-term borrowings from banks, overdraft facilities that are repayable on demand, cash and cash equivalents and equity and financing provided by our shareholders. We have also entered into various working capital facilities, which provides sufficient liquidity for our requirements.

Cash Flows

The following table summarizes our cash flows for Fiscal 2021, Fiscal 2022 and Fiscal 2023:

(₹ in millions)

Particulars	**For the year ended March 31,**		
	2021	**2022**	**2023**
Net Cash generated from Operating Activities	231.96	(54.42)	(65.52)
Net Cash (Used in) Investing Activities	(765.93)	(1,509.41)	(3,484.13)
Net Cash from/(Used in) Financing Activities	553.60	1,688.37	4,391.94
Net Increase / (Decrease) in Cash and Cash Equivalents	19.63	124.54	842.29
Cash and Cash Equivalents at the beginning of the year	36.00	55.63	180.16
Cash and Cash Equivalents at the end of the year	55.63	180.16	1,022.45

Cash flows generated from operating activities

Net cash used in operating activities was ₹(65.52) million during Fiscal 2023. While our profit before tax was ₹1,744.79 million, we had an operating profit before working capital changes of ₹1,949.15 million, primarily due to adjustments for depreciation and amortization expenses of ₹232.45 million, net unrealised foreign exchange (gain)/loss of ₹3.85 million, and finance costs of ₹50.93 million, which were partially offset by interest income of ₹(74.31) million and income from mutual funds of ₹(8.55) million. Our adjustments for working capital changes for Fiscal 2023 primarily consisted of increase in trade receivables of ₹(955.02) million, increase in inventories of ₹(860.22) million, increase in other current assets of ₹(152.35) million, increase in other financial assets of ₹(7.40) million which were partially set off by decrease in current investments of ₹160.10 million, increase in trade payables of ₹116.64 million and increase in other current liabilities of ₹1.41 million. Our cash generated from operating activities was ₹252.31 million, adjusted by tax paid (net of refund) of ₹(317.84) million.

Net cash used in operating activities was ₹(54.42) million during Fiscal 2022. While our profit before tax was ₹1,464.73 million, we had an operating profit before working capital changes of ₹1,735.62 million, primarily due to adjustments for depreciation and amortization expenses of ₹154.87 million and finance costs of ₹131.21 million, which were partially offset by interest income of ₹ (4.68) million, income from mutual funds of ₹ (3.23) million and net unrealised foreign exchange (gain)/loss of ₹ (7.28) million. Our adjustments for working capital changes for Fiscal 2022 primarily consisted of increase in trade receivables of ₹(552.40) million, inventories of ₹(780.16) million, other current assets of ₹(358.90) million, other financial assets of ₹(5.29) million and decrease in other current liabilities of ₹(26.45) million which were partially offset by decrease in trade payables of ₹220.81 million and current investments of ₹50.79 million. Our cash generated from operating activities was ₹284.03 million, adjusted by tax paid (net of refund) of ₹(338.45) million.

Net cash from operating activities was₹231.96 million during Fiscal 2021. While our net profit before tax was ₹938.06 million, we had an operating profit before working capital changes of ₹1,161.22 million, primarily due to adjustments for depreciation and amortization expenses of ₹110.11 million, net unrealised foreign exchange (gain)/loss of ₹0.90 million and finance costs of ₹113.15 million, which were partially offset by interest income of ₹(1.00) million. Our adjustments for working capital changes for Fiscal 2021 primarily consisted of increase in trade receivables of ₹(468.46) million, current investments of ₹(220.77) million, inventories of ₹(127.89) million, other current assets of ₹(33.61) million, other financial assets of ₹(1.09) million and decrease in provisions other than income tax of ₹(0.91) million, which were partially offset by decrease in trade payables of ₹97.45 million and other current liabilities of ₹26.03 million. Our cash generated from operating activities was ₹231.96 million, adjusted by tax paid (net of refund) of ₹(200.01) million.

Cash flows used in investing activities

Net cash used in investing activities was ₹(3,484.13) million in Fiscal 2023, primarily on account of ₹(4,014.20) million used for purchase of fixed assets principally for property, plant and equipment and ₹(0.50) million used for long term investments, which was partially offset by capital work in progress and capital advance of ₹447.72 million and dividend from current investments of ₹82.86 million.

Net cash used in investing activities was ₹(1,509.41) million in Fiscal 2022, primarily on account of ₹(527.66) million used for purchase of fixed assets principally for property, plant and equipment and ₹(989.66) million used for capital work in progress and capital advance, which was partially offset by dividend from current investments of ₹7.90 million.

Net cash used in investing activities was ₹(765.93) million in Fiscal 2021, primarily on account of ₹(969.95) million used for purchase of fixed assets, partially offset by proceeds of ₹196.75 million capitalised from capital work in progress and capital advance, ₹1.00 million from dividends received from current investments and ₹6.27 million from proceeds from disposal of property, plant and equipment.

Cash flows generated from / (used in) financing activities

Net cash generated from financing activities in Fiscal 2023 amounted to ₹4,391.94 million, which primarily consisted of proceeds from preferential allotment of shares of ₹1,300.00 million, initial public offering of shares of ₹6,270.00 million and exercise of ESOPs worth of ₹9.00 million, partially offset by repayment of long-term borrowings in the amount of ₹(1,510.33) million, repayment of borrowings (unsecured) of ₹(449.20) million, repayment of working capital facilities (net) of ₹(890.16) million, IPO expenses of ₹(319.91) million and interest paid amounting to ₹(50.93) million.

Net cash generated from financing activities in Fiscal 2022 amounted to ₹1,688.37 million, which primarily consisted of proceeds from long-term borrowings in the amount of ₹267.63 million, proceeds from unsecured borrowings of ₹323.50 million, proceeds from working capital facilities (net) of ₹177.62 million, proceeds from preferential allotment of shares of ₹1,031.80 million and proceeds from other financial liabilities of ₹19.03 million, partially offset by interest paid in the amount ₹(131.21) million.

Net cash used in financing activities in Fiscal 2021 amounted to ₹553.60 million, which primarily consisted of the proceeds from long-term borrowings in the amount of ₹432.18 million, proceeds of borrowings (unsecured) of ₹15.10 million, proceeds from working capital facilities (net) of ₹194.06 million and proceeds of other financial liabilities of ₹25.41 million, partially offset by interest paid amounting to ₹(113.15) million.

Capital and Other Commitments

As of March 31, 2023, the estimated amount of contracts remaining to be executed on capital account not provided for was ₹184.68 million.

Capital Expenditure

Capital expenditures consist primarily of investments in new manufacturing facilities and equipment. We also make investments at our manufacturing facilities to add new technologies, modernize facilities and expand our product lines. Capital expenditure will vary from year to year depending upon a number of factors, including the need to replace equipment and the timing of certain projects, such as investment in new technologies. In Fiscal 2021, Fiscal 2022 and Fiscal 2023, we incurred capital expenditure of ₹800.62 million, ₹1,010.13 million and ₹3,915.11 million, respectively. A significant amount of our capital expenditure was aimed at constructing manufacturing and other facilities, increasing our manufacturing capacities and diversifying our product base.

Financial Indebtedness

The following table sets forth our secured and unsecured debt position as of March 31, 2023.

(₹ in millions)

Indebtedness	As of March 31, 2023
Short Term	
- Secured Borrowings, comprising of:	**1.06**
- Loans repayable on demand	0.00
- Bank term loans	0.00
- Bank vehicle loans	1.06
- Unsecured Borrowing	0.00
Long Term	
- Secured Borrowings, comprising of:	**0.00**
- Bank term loans	0.00
- Bank vehicle loans	0.00
Total Indebtedness	1.06

Contingent Liabilities

The following table sets forth certain information relating to our contingent liabilities and claims against us, to the extent not provided for, as of March 31, 2023, as determined in accordance with Ind AS 37:

(*₹ in million*)

Sr. No.	Contingent liabilities	As at March 31,		
		2021	2022	2023
1.	Bank guarantees issued (*₹ in million*) for:			
	Customs	8.89	8.89	8.89
	Gujarat Gas Ltd.	6.43	15.35	20.71
	DGVCL	21.25	23.70	47.40
	Total Margin(*₹ in million*)	**10.37**	**11.45**	**14.37**
2.	Bank guarantees issued for raw material LC (*₹ in million*)	0.00	0.00	0.00
	Bank guarantees issued for raw material FLC (U.S. $ in million)	0.82	2.94	1.10
	Total Margin (*₹ in million*)	**10.12**	**13.10**	**8.94**
3.	Income Tax Demands*(*₹ in million*)	1.15	20.97	2.09

** The Income Tax Demands are under appeal by our Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.*

Note: All the contingent liabilities, except income tax demands, are not 100% secured through cash margins placed with banks. The banks require 15% margin money on bank guarantees and 15% margin money on LC facilities.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to market risks that are related to the normal course of our operations such as interest rate, liquidity risk, foreign exchange risk and reputational risk, which may affect economic growth in India and the value of our financial liabilities, our cash flows and our results of operations.

Interest Rate Risk

Our Company's exposure to the risk of change in market interest rates primarily relates to our debt obligations with floating interest rates. We manage our interest rate risk through selection of appropriate type of borrowings and by negotiations with bankers.

Our variable rate borrowings are subject to interest rate risk. Below is the overall exposure of our borrowings:

(₹ in millions)

	As of March 31,		
	2021	2022	2023
Variable rate borrowings	1,953.40	2,399.52	0.00
Fixed rate borrowings	128.60	151.22	1.06
Total borrowings	**2,082.00**	**2,550.74**	**1.06**

Credit Risk

Credit risk is the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Our credit risk on cash and cash equivalents is limited, since we maintain deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies. Our credit risk, therefore, principally arises from our Company's trade receivables from customers. Such credit risk is mainly influenced by the individual characteristics of each customer of our Company. However, our management also considers factors that may influence the credit risk of our customer base, including the risk of default associated with the industry and country in which our customers operate in.

During the Fiscal 2021, Fiscal 2022 and Fiscal 2023, based on our management's estimates, we did not make any provision on expected credit loss on our trade receivables and other financial assets.

Liquidity Risk

Liquidity risk is the risk that our Company will be unable or encounter difficulty to meet financial liabilities obligations through cash settlement or by delivering other financial assets.

Our treasury department is responsible for liquidation and funding requirements and liquidity policies and procedures are also overseen by our management. Our Company's approach in managing liquidity is to ensure that we have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, and without incurring unacceptable losses or putting our Company's reputation at risk.

Our principal sources of liquidity are cash and cash equivalents and cash flow generated from our operations.

The table below sets out an analysis of our working capital and current ratio as at March 31, 2023, 2022 and 2021:

(₹ in millions, except ratios)

	As of March 31,		
	2021	**2022**	**2023**
Total Current Assets (A)	2,335.28	4,097.90	6,751.28
Total Current Liabilities (B)	1,619.06	2,421.75	940.00
Working Capital (A-B)	**716.22**	**1,676.15**	**5,811.28**
Current Ratio	1.44	1.69	7.18

The table below sets out our exposure to financial liabilities based on the contractual maturity as at the reporting date:

(₹ in millions)

	Carrying value	Less than 1 year	More than 1 year	Total
As at March 31, 2023				
Borrowings	1.06	1.06	0.00	**1.06**
Trade payables	815.18	814.52	0.66	**815.18**
Lease Liabilities	156.07	10.76	145.32	**156.07**
Other liabilities	96.92	96.92	0.00	**96.92**
As at March 31, 2022				
Borrowings	2,850.75	1,632.62	1,218.13	**2,850.75**
Trade payables	698.54	697.58	0.96	**698.54**
Lease Liabilities	56.54	5.85	50.69	**56.54**
Other liabilities	63.46	63.46	-	**63.46**
As at March 31, 2021				
Borrowings	2,082.00	1,044.13	1,037.87	**2.082.00**
Trade payables	477.73	477.62	0.11	**477.73**
Lease Liabilities	30.67	3.56	27.11	**30.67**
Other liabilities	44.43	44.43	-	**44.43**

Foreign Exchange Rate Risk

Changes in currency exchange rates influence our results of operations. A portion of our revenues, particularly relating to our export sales, is denominated in currencies other than Indian Rupees. Similarly, a portion of our expenses, including cost of raw materials or imported equipment, are denominated in currencies other than Indian

Rupees. We do not enter into any hedging activities for our foreign currency positions.

The table below sets out an analysis of our unhedged foreign currency exposure:

Particulars	**For the year ended March 31,**					
	2021		**2022**		**2023**	
	Foreign currency *(in $ millions)*	**Equivalent amount in rupees** *(₹ in millions)*	**Foreign currency** *(in $ millions)*	**Equivalent amount in rupees** *(₹ in millions)*	**Foreign currency** *(in $ millions)*	**Equivalent amount in rupees** *(₹ in millions)*
Financial Assets						
Trade Receivables						
USD	6.51	475.26	8.88	672.71	18.54	1,523.75
Balance with banks – in EEFC accounts						
USD	0.47	33.96	0.43	32.40	1.80	148.30
Financial Liabilities						
Trade Payables						
USD	0.98	72.14	0.53	40.16	3.09	254.16
Currency wise net exposure (Financial Assets – Financial Liabilities)						
USD	6.00	437.08	8.77	664.94	17.25	1,417.90

The following table sets out the sensitivity analysis of a 1.0% change in foreign currency exchange rate on our profit for the years indicated:

(₹ in millions)

	Impact on profit/ equity (Strengthening by 1%)			**Impact on profit/ equity (Weakening by 1%)**		
	As of			**As of**		
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**March 31, 2021**	**March 31, 2022**	**March 31, 2023**
USD	4.37	6.65	14.18	(4.37)	(6.65)	(14.18)

Reservations, Qualifications and Adverse Remarks Included in Audited Standalone Financial Statements

There have been no reservations or qualifications or adverse remarks of our Statutory Auditors in the last three fiscal years.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information see section entitled "*Financial Statements – Note 40*" on page 309 of this Placement Document.

Significant Economic Changes

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "Principal Factors Affecting Our Financial Condition and Results of Operations" and the uncertainties described in the section entitled "*Risk Factors*" beginning on page 52 of this Placement Document. To our knowledge, except as described or anticipated in this Placement Document, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described elsewhere in this Placement Document, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

Significant developments subsequent to April 1, 2023 which may affect our future results of operations

Except as set out in this Placement Document, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Placement Document which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

INDUSTRY OVERVIEW

*Unless otherwise indicated, the information contained in this section is obtained or extracted from the industry research report titled "Indian Chemicals and Specialty Chemicals Market Report" dated June 16, 2023 prepared and released by Frost & Sullivan (India) Private Limited (the "**F&S Report**") and commissioned by and paid for by our Company, exclusively for the purpose of this Issue, in accordance with the engagement letter dated May 12, 2023. Neither we, nor any other person connected with the Issue has independently verified this information. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.*

For the disclaimers associated with the Company Commissioned F&S Report, see section entitled "Industry and Market Data" on page 15.

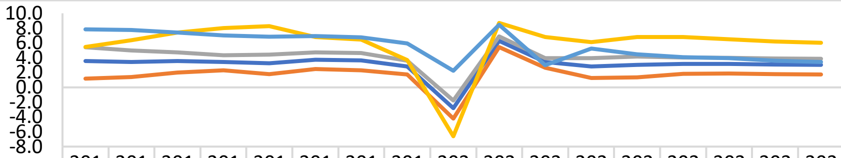
Section 1: Global & India Macro-Economic Overview

- **Global Gross Domestic Product (GDP) Growth**

In CY 2022, post-pandemic realities exacerbated after the onset of the Russo-Ukrainian war. Severe commodity price pressures, steep interest rate hikes amidst soaring inflation, a surge in energy prices weighing on the cost of living and business transport costs, and prolonged lockdowns in China further disrupting global supply chains were driving forces of a tumultuous CY 2022.

As a result, CY 2023 global growth expectations remain low as the United States, and Europe have recessional fears. However, a global recession can be avoided as buoyant emerging market growth from major Asian, Middle Eastern, and African economies insulates the global economy. Frost & Sullivan expects the emerging markets and developing economies GDP to post 3.9% growth in CY 2023, while advanced economies grow by ~ 1.3%.

Exhibit 1.1: Real GDP Growth (%) CY2012- 2028F



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F	2028F
World	3.5	3.4	3.5	3.4	3.3	3.8	3.6	2.8	-2.8	6.3	3.4	2.8	3.0	3.2	3.2	3.1	3.0
Advanced economies	1.2	1.4	2.0	2.3	1.8	2.5	2.3	1.7	-4.2	5.4	2.7	1.3	1.4	1.8	1.9	1.8	1.8
Emerging market and developing economies	5.4	5.0	4.7	4.4	4.4	4.7	4.7	3.6	-1.8	6.9	4.0	3.9	4.2	4.0	4.0	3.9	3.9
India	5.5	6.4	7.4	8.0	8.3	6.8	6.5	3.7	-6.6	8.7	6.8	6.1	6.8	6.8	6.5	6.2	6.0
China	7.8	7.8	7.4	7.0	6.9	6.9	6.8	6.0	2.2	8.5	3.0	5.2	4.5	4.1	4.0	3.6	3.4

Source: GDP estimates for CY 2022 and CY 2023 are based on Frost & Sullivan analysis of World Economic Outlook data

The advanced economies are projected to recover slower than the global average. The United States is likely to experience lower quarter-on-quarter growth in H2 2023, with overall CY 2023 real GDP growth pegged at 1.6%. A pullback in consumer spending, persistent price pressures, and the lagged effect of rapid monetary tightening coupled with a slowdown in key trading partner nations will impact the growth momentum.

The emerging markets and developing economies will be the frontrunners of growth in 2023. Asian giants India and China and sub Saharan African nations will be the bright spots for the global economy in 2023, with expected real GDP growth of 5.9%, 5.2% and 3.6%, respectively.[1]

Increased oil revenue amidst higher oil prices in CY 2022, steady domestic demand patterns, continued fiscal support post-pandemic are among the factors supporting emerging markets.

China's GDP is estimated to have increased a modest 3.0% in CY 2022. CY 2023 will be challenging, given the present infection surge. China will also face restraints from its property crisis and slowdown in export markets. Domestic demand and reopening of key manufacturing industries will determine China's near- and medium-term growth trajectory.

- **Global: Medium- and Long-term Growth – Recovery Expected from 2024 Onward**

Frost & Sullivan projects global growth to slow from 3.4% in CY 2022 to an estimated 2.8% in 2023. The International Monetary Fund (IMF) October 2022 forecasts show global growth averaging 3.1% annually from CY 2024 to CY 2028. Worldwide supply chain problems were already exerting price pressures as CY 2022 began, and the Russo-Ukrainian War's far-reaching effects have significantly pushed up prices for consumers and producers across the globe. According to the IMF, in CY 2022 average consumer prices in advanced nations increased by 7.2% and that in emerging market and developing economies by 9.9% compared to CY 2021. The medium-term outlook will be determined by monetary policy decisions in light of slowing CY 2023 growth and the resultant impact on domestic spending and investment patterns, fiscal policies, and the pace of economic recovery in CY 2024.

Frost & Sullivan expects the Indian economy to grow by 5.9% in CY 2023 and by 6.3% in 2024, supported by domestic demand and increased public investment in infrastructure and recovery in private investments. The outlook assumes sustained progress in COVID-19 vaccinations and that any new variants of the virus are of limited severity. It also factors in the impacts of the Russo-Ukrainian War—especially the higher global oil and commodity prices that are contributing to price pressures and a widening of the current account deficit. Large public infrastructure investments planned over the next two years will encourage more private investment.

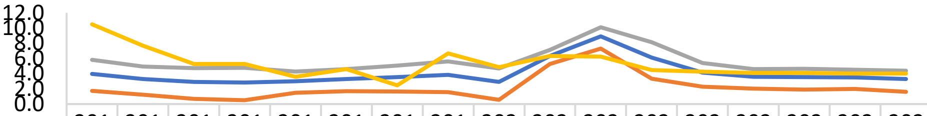
- **Inflation Rate Growth in India vs World**

The World inflation rate peaked in June 2022 at 9.1% and been down for November 2022 (7.1%) and December 2022 (6.5%) according to Consumer Price Index (CPI) month on month. The month-on-month analysis indicates that prices increased at a slower pace than earlier in the year. The rising inflation is posing an additional challenge to an inclusive recovery as it disproportionally affects low-income households that spend a much larger share of their income on food items.

The annual rate of inflation based on all India Wholesale Price Index (WPI) fell to 0.65% for the month of December 2022 (over December 2021 which was 9.24%) against 5.85% recorded in November 2022. However in January 2023 it recovered to 2.95% and was 2.32% in March 2023.

The high rate of inflation historically is attributed to the rise in prices of mineral oils, crude petroleum and natural gas, basic metals, chemicals and chemical products, and food articles as compared to the corresponding month of the previous year.

Exhibit 1.2: Inflation Rate (end of period consumer prices) (%) CY2012–2028F



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F	2028F
World	4.0	3.3	2.9	2.8	3.0	3.3	3.6	3.9	2.9	6.3	8.9	6.1	4.1	3.6	3.6	3.5	3.3
Advanced Economies	1.7	1.2	0.7	0.5	1.5	1.7	1.6	1.6	0.5	5.3	7.3	3.3	2.3	2.0	1.9	2.0	1.6
Emerging markets & developing economies	5.8	4.9	4.7	4.8	4.3	4.6	5.1	5.6	4.7	7.1	10.1	8.1	5.4	4.6	4.7	4.5	4.4
India	10.5	7.7	5.3	5.3	3.6	4.6	2.5	6.7	4.9	6.3	6.3	4.5	4.3	4.1	4.1	4.0	4.0

- *Source: World Economic Outlook, IMF Estimate, Frost & Sullivan Research*

In the chemicals sector, CY 2022 has been positive with a much-needed disruption. However, volatile energy prices, higher costs, and the fracturing of trading patterns are still some of the key industry challenges.

Key trends that are expected to impact the chemical industry include a tandem focus on innovation and sustainability to build resilient portfolios that are beneficial in both the short and long terms.

- **India: GDP Growth and Outlook**

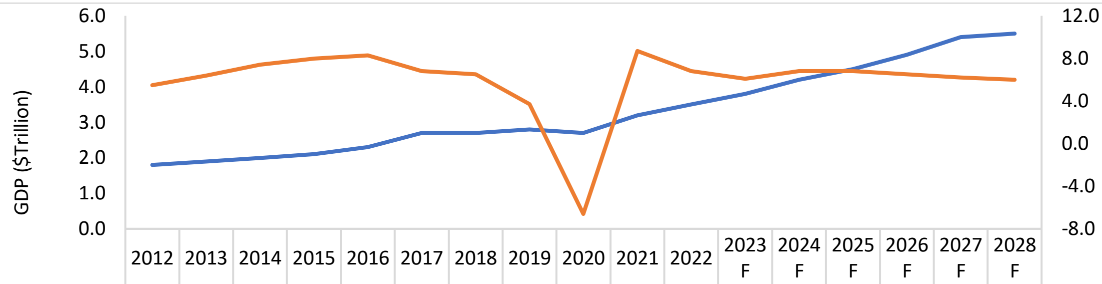
India's real GDP growth stood at 6.3% for the CY 2021, compared to a contraction of 4.9% seen in CY 2020, as per the IMF. Frost & Sullivan's January 2023 forecasts show India growing at 6.1% in CY 2023 and 6.8% in CY 2024. Pent-up demand, steady fiscal support, large-scale public investments, and export strength bolstered growth in CY 2021 and CY 2022. However, inflation induced monetary policy tightening and slowing global growth will impact Indian growth momentum in H1 2023. Interest rate cuts and a pullback in price levels will support domestic demand and the investment climate in the latter half of 2023. Inflation in India is expected to moderate throughout CY 2023, following its steady upward climb in 2022. Frost & Sullivan forecasts show the year-on-year rate of inflation easing from 5.9% in November 2022 to 4.8% in November 2023, while repo rate is likely to end FY2023-24 at 4.5% compared with FY2022-23's 6.30%.

India's weight on the MSCI Emerging Markets Index stands at about 14.44% as of December 2022, doubling its weight in the global index in the last two years in the MSCI analysis. In the near term as well, relatively strong growth, decelerating inflation, a weaker US dollar, and improving fundamentals are expected to drive the recovery in CY 2023.

Foreign portfolio investors (FPIs) are looking beyond China in their basket of emerging markets, where South Korea, India, and Taiwan are expected for early cycle recovery.

The impact of the global slowdown on India has been limited, proving India as an attractive contender to invest. Although India went through a long period of underperformance from 2010 to 2020, the outperformance in 2021 is expected to continue well into long term.

Exhibit 1.3: Nominal GDP Growth, India, CY2012–2028F[2]



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F
GDP	1.8	1.9	2.0	2.1	2.3	2.7	2.7	2.8	2.7	3.2	3.5	3.8	4.2	4.5	4.9	5.4	5.5
GDP Growth (%)	5.5	6.4	7.4	8.0	8.3	6.8	6.5	3.7	-6.6	8.7	6.8	6.1	6.8	6.8	6.5	6.2	6.0

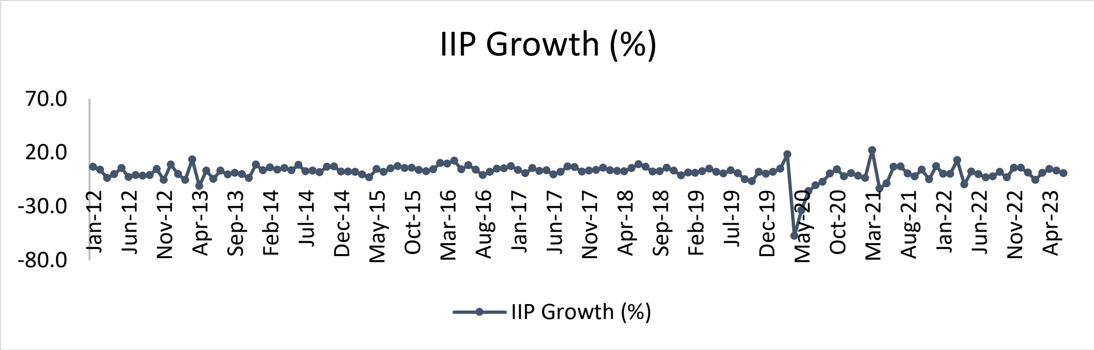
Source: IMF Estimate; Frost & Sullivan Research

- **India: Index of Industrial Production (IIP)**

The IIP for consumer goods remains muted. Passenger car sales, personal loans, and GST collections indicate strong demand. Indicators of rural demand have been witnessing subdued growth due to high inflation and uneven monsoon. The dip in the performance from April to May 2022 was because of squeezing of margins of manufacturing sector firms due to high inflation and high interest costs. Thus, while output growth is still reasonable, the value addition in the manufacturing sector has been hit by low profits and high costs. However, in November and December the index has recovered as capital and infrastructure spending continued to support growth.

Exhibit 1.5: IIP Growth (%) – CY2012– 2023*

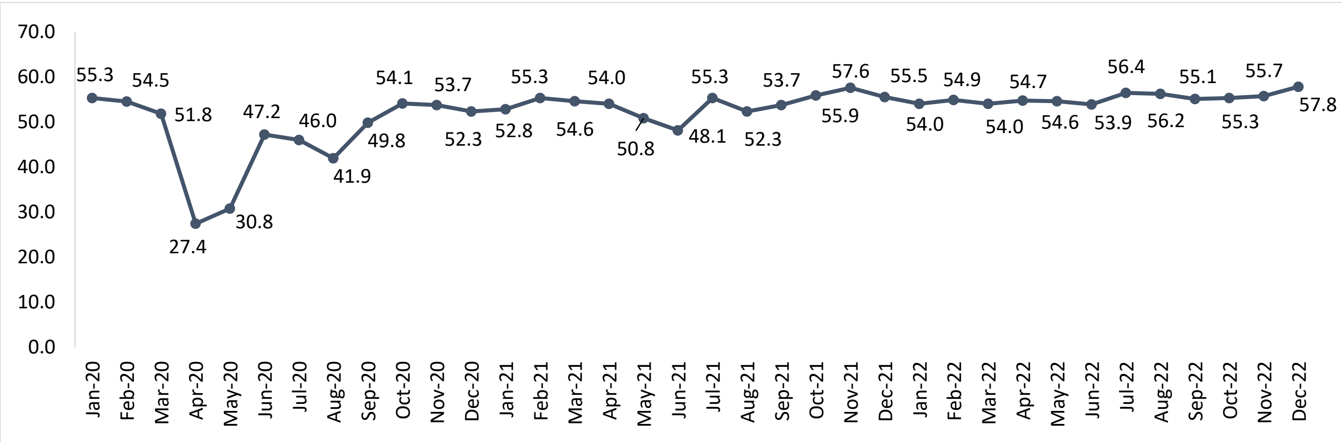
[2] 2022 and 2023 are Frost & Sullivan's estimate and forecast for Indian economy as of January 2023.



*Source: MOSPI; updated until *May 2023*

- **India: Purchasing Managers Index (PMI)**

Exhibit 1.6: India Purchasing Managers Index, CY2020–2022



Source: MOSPI

India's growth story was largely positive based on the strength of domestic absorption and the economy was registering a steady pace of economic growth pre-Covid. Moreover, its other macroeconomic parameters like inflation, fiscal deficit and current account balance had exhibited distinct signs of improvement.

- With a reading of 57.8, the Indian manufacturing PMI recorded its sharpest rise in 13 months, as production and manufacturing activity remained robust amidst resilient demand and moderation in prices in Q4 2022.
- Forward outlook, as per the surveys, indicate optimism with companies expecting steady levels of production for the next 12 months, wherein advertising and steady domestic demand are expected to support manufacturing sector growth.

- **India: Strong Growth Path**

The government has taken several measures to revive the economy and to return to a normal to high growth trajectory. As the monetary and fiscal stimuli work their way through, India can expect an economic turnaround soon. In addressing the current slowdown, India has several advantages and comforting factors including the following:

– **Aatmanirbhar Bharat Abhiyan:** Prime Minister Narendra Modi on May 12, 2020, announced the Aatmanirbhar Bharat Abhiyan which combined relief, policy reforms and fiscal and monetary measures to help businesses and individuals to cope with the situation created by the pandemic and helps transform India into a self-reliant economy. This campaign is especially expected to benefit the Specialty chemicals sector, with several players hoping to position themselves as an alternative to China as the coronavirus crisis prompts companies to diversify their supply chains.

- Government announced a production linked incentive (PLI) scheme for the promotion and manufacturing of pharmaceutical raw materials in India. The government's move is aimed to boost domestic manufacturing and cut dependence on imports of critical Active Pharmaceutical Ingredients (APIs). Further, the government has also decided to develop three mega bulk drug parks in partnership with states. These schemes will likely appeal more to the smaller players and should foster more investments. The government is soon planning to roll out such a scheme for the chemicals sector as well.
- The government is also in the process of launching a production-linked incentive (PLI) for the chemical sector to increase self-reliance in the country. This move is to reduce country's dependency on imports of basic chemicals. The PLI scheme will help the sector to identify import-dependent chemicals and work towards producing them within the country.
- Specialty chemical companies will look at import substitution along with export opportunities to further drive their business. Historically, domestic consumption has been the driving metric for Specialty chemicals manufacturing in India, with exports playing a much smaller part – owing to reduced raw material availability, higher utility tariffs and a stricter regulatory structure. However, owing to the current geo-political issues, India's focus on being a manufacturing hub for exports of specialty chemicals will increase, subsequently increasing the share of exports in the overall market.

- **Preferred Destination for Foreign Investment:** Lately, India has become an attractive destination for foreign investment owing to its large and rapid growing consumer market in addition to a developed commercial banking network, availability of skilled manpower and a package of fiscal incentives for foreign investors.
- **Strong and Diversified Industrial and Infrastructural Base:** India has established a strong and diversified manufacturing base for the production of a wide variety of basic and capital goods to meet the requirements of various sectors; and systematically rolled out a public-private partnership (PPP) programme for the delivery of high-priority public utilities and infrastructure.
- **Foreign Exchange (Forex) Reserves:** The country's forex reserves, which stood at $606.47 billion on 1 April 2022, the beginning of the fiscal 2022-23, slumped to $578.44 billion on March 31, 2023, posting a decline of $28.03 billion during the year, as per the latest data by the central Bank. FY 2022-23 started on a volatile note due to the Russia-Ukraine conflict. A sharp increase in oil prices had put pressure on the Indian currency forcing the RBI to sell dollars from the reserve.
- **Demographic Dividend:** Presently, India is one of the youngest nations in the world with more than 62% of its population in the working age group (15-59 years), and more than 54% of its total population below 25 years of age. Its population pyramid is expected to bulge around the 15-59 age groups over the next decade. This poses a formidable challenge as well as a huge opportunity.

Indian Government Initiatives and Policies for Manufacturing Sectors: Prime Minister of India, Mr Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy.

Indian companies are witnessing interest from strategic investors led by Japan, Korea and Thailand, as they seek to diversify supply chains from China. The Indian Government supports the Industry through research & development and initiatives such as reducing basic customs duty on several imported products and promoting the 'Make in India' campaign.

A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.

The government has established four petroleum, chemicals and petrochemical investment regions (PCPIRs) as investment regions for petroleum, chemicals and petrochemicals, along with associated services. Plastics Parks have been set up to facilitate technology development and ecosystem to produce specialised plastic products. In

December 2020, the PCPIR policy has been completely redesigned. Under the new PCPIR Policy 2020-35, a combined investment of Rs. 10 lakh crore (USD 142 billion) is targeted by FY 2025, Rs. 15 lakh crore (USD 213 billion) by FY 2030 and Rs. 20 lakh crore (USD 284 billion) by FY 2035 in all PCPIRs across the country. The four PCPIRs are expected to generate employment for ~33.83 lakh people. Around 3.50 lakh persons have already been employed in direct and indirect activities related to PCPIRs by the end of FY 2020.

Across India, the recent revision of Market Access Initiative by the Ministry of Commerce and Industry aims at benefiting the small to mid-segment newer industry players which do not possess global sales and marketing reach. As a result of the revised MAI policies, the robust growth in Contract Research & Manufacturing Services (CRAMS) industry in India will support newer economies such as Myanmar, Cambodia to collaborate with the local Indian players beneficial for the overall growth of the Asian economy. Moving forward, with a total of over 300 USFDA approved manufacturing sites, the country can become the global leader in the CRAMS industry with the implementation of mandates including Schedule M (Good Manufacturing Practices (GMP) for Premises & Materials and Requirements of GMP in Plant and Equipment) outlining various requirements for manufacturing good quality drugs and pharmaceuticals, by applying Current Good Manufacturing Practice (CGMP) guidelines.

The manufacturing sector of India has the potential to reach USD 1 trillion by CY 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of USD 2.5 trillion along with a population of 1.32 Bn people, which will be a big draw for investors.

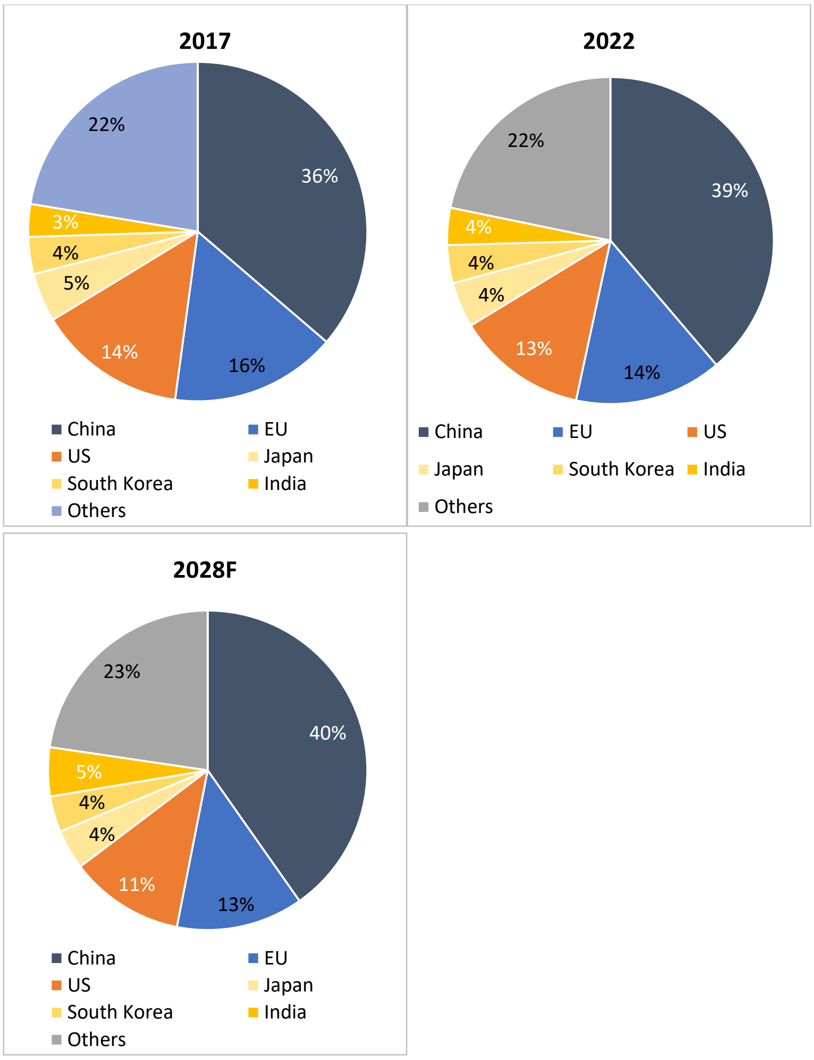
With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Section 2: Overview of Global and Indian Chemicals and Specialty Chemicals

Global Chemicals Market Overview

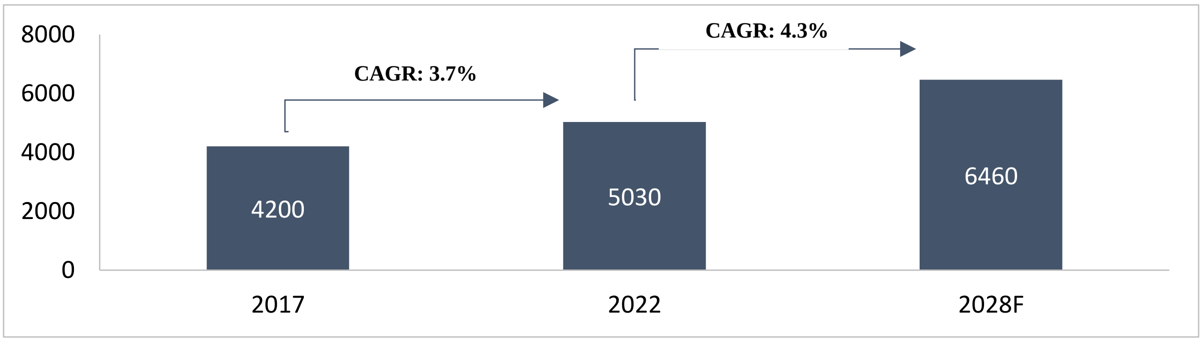
The global chemicals market is valued at around USD 5,030 Bn with China accounting for major market share (39%) in the segment followed by European Union (14.6%) and United States (12.9%). India accounts for ~4% market share in the global chemicals market. The global chemicals market is expected to grow at 4.3% CAGR; reaching USD 6,460 Bn by CY 2028. During the forecast period, APAC is anticipated to grow at the fastest rate of 5-6% during the forecast period (CY 2022-28F). The chemicals markets in Western Europe, North America, and Japan are relatively mature and hence would record slow growth rates of around 2-3%.

Exhibit 2.1: Global chemicals market, CY2017, 2022 and 2028F, USD 4,200, USD 5,030 Bn & 6,460 Bn



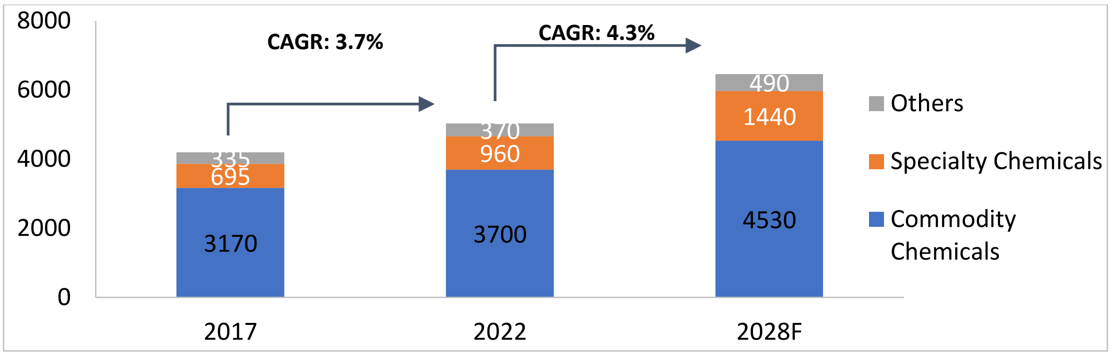
Source: Frost & Sullivan Research

Exhibit 2.2 : Global chemicals market, CY2017, 2022 and 2028F (USD Bn)



Source: Frost & Sullivan Research

Exhibit 2.3: Global chemicals market, CY2017, 2022 and 2028F (USD 4,200, USD 5,030 and 6,460 Bn)



Source: Frost & Sullivan Research

Note: Others mainly include Biotech chemicals. Also note that the Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharmaceuticals API outside of Specialty chemicals and Petrochemicals outside of Commodity Chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories (Agrochemical and Fertilizers and Pharmaceuticals API) and the Commodity Chemicals section is inclusive of Bulk chemicals and Petrochemicals.

	Commodity Chemicals	**Specialty Chemicals**	**Other Chemicals**
CY 2017-22	3.1%	6.7%	2.0%
CY 2022-28F	3.4%	7.0%	4.8%

Commodity Chemicals: The commodity chemicals market includes companies that manufacture basic chemicals in large volumes. These include plastics, synthetic fibres, films, certain paints and pigments, explosives, and petrochemicals. There is limited product differentiation within the sector; products are sold for their composition. The commodities market is highly fragmented. The leading companies, The Dow Chemical and BASF SE, account for less than 5% of the total market each. Other industry leaders include Bayer AG, DuPont de Nemours, and AkzoNobel. More than 85% of the market share, however, is accounted for by a mix of other companies. The end user markets include other basic chemicals, specialties, and other chemical products; manufactured goods such as textiles, automobiles, appliances, and furniture; and pulp and paper processing, oil refining, aluminium processing, and other manufacturing processes. Markets also include some non-manufacturing industries. The sector is presently valued at ~USD 3,700 Bn and is expected to grow at 3-4% globally in the next five years.

- **Petrochemicals** are derived from crude oil, crude products, or natural gas. Petrochemicals are used in the manufacture of numerous products such as synthetic rubber, synthetic fibres (e.g., nylon and polyester), plastics, fertilizers, paints, detergents, and pesticides. It is the basis for most organic chemistry. The global petrochemicals market size was predicted at ~USD 580 Bn in 2022 and is anticipated to witness a CAGR of 5-6% over the forecast period. The growth of the market for petrochemicals will be driven by rising demand for downstream products from end-use industries and capacity additions in the base chemical industry.

Specialty Chemicals: The specialty chemicals market is characterized by high value-added, low volume chemical production. These chemicals are used in a wide variety of products, including fine chemicals, additives, advanced polymers, adhesives, sealants and specialty paints, pigments, and coatings. The specialty market is extremely fragmented. The consolidation of companies has been a major trend and is expected to continue. Similar to the commodity sector, the specialty sector is affected by high costs of energy and feedstock. Intangible value issues include heightened emphasis on research, customer migration to alternative products, and the impact of regulations on products. The overall market stood at ~USD 960 Bn in 2022 and is expected to showcase a growth between ~ 7% over the next five years.

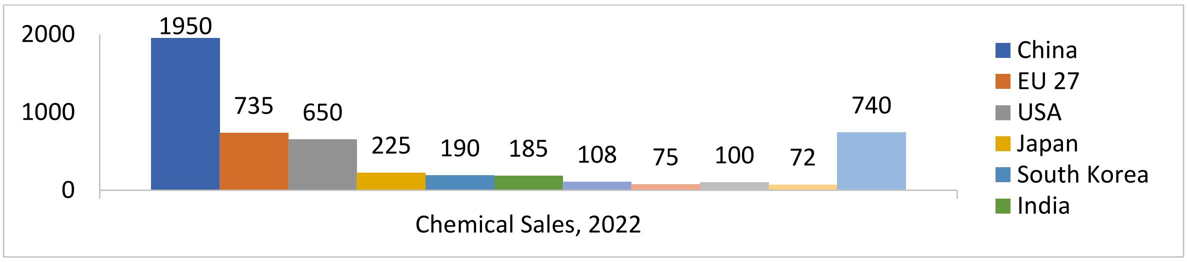
- **Pharmaceutical (API):** API are generally considered a sub-sector of the chemical industry. Information and statistics on the chemical industry may or may not include the pharmaceutical sector, though it tends to be demarcated as a separate category. The global active pharmaceutical ingredients market size is projected to reach ~USD 355 Bn by CY 2028 at a CAGR of 9-10% during the forecast period. The market growth is driven mainly by factors such as rising drug R&D, the increasing incidence of chronic diseases, the growing importance of generics, and the increasing uptake of biopharmaceuticals. On the other hand, unfavourable drug price control policies across various countries and high manufacturing costs are expected to restrain the growth of this market. Following are some of the critical success factors for the players involved in pharmaceutical chemicals and API –
  - **Marketing strategy** – Most leaders have a well-defined product marketing strategy to target right customer segment. Companies have invested in R&D to introduce new products beneficial to the end users.
  - **Reduced Dependence on China** – Both global and domestic drug companies have started to diversify their sourcing of APIs and KSMs
  - **Strong hold on the entire value chain** – Manufacturers are now positioning themselves at solution providers; starting with raw material intake from the supplier, culminating with storage of the finished product in automated warehouses to contractual agreements with distributors to market their products.
- **Agrochemicals & Fertilizers:** The global Agrochemicals & Fertilizer Market is expected to garner revenue of ~USD 360-370 Bn by CY 2028 with a CAGR of 8-9% during the forecast period of CY 2022-28. The major chemicals used in agriculture to regulate plant growth are synthetic fertilizers, pesticides, and hormones, amongst others. The growth of agriculture in the emerging markets such as South America, Africa, and the Middle East is paving the way for several profitable opportunities for the market players. Additionally, a strong focus of agrochemical manufacturers on product innovation is expected to render a higher competitive advantage to them over their rivals. The market of agrochemicals & fertilizers in China and India is expected to grow significantly owing to the increase in consumption and production of fertilizers, such as nitrogen based, potassium-based fertilizers, in these countries. China and India are the major exporters of agrochemicals & fertilizers in the Latin America, Asia-Pacific and other regions. These factors are expected to create a robust platform for the growth of the China and India market. A key success factor for the crop protection chemicals in the market is extensive R&D capabilities of a company to develop new molecules satisfying the government norms and stringent environment regulations (possibly having higher pesticide biodegradability index). This essentially ensures a robust growth trajectory for traditional crop protection chemicals in high-volume-high-growth centres like India. Following are some of the critical success factors for the players involved in crop protection chemicals –
  - **Backward integration of technical active ingredients** – Many formulators' needs to have backward integration of its technical AI's (Active Ingredients) in order to succeed in gaining high profit margins in the market.
  - **Comprehensive product portfolio** – 'One stop solution' for farmers of all the agrochemical needs surely drives the success of one firm over another.
  - **Strong distribution network** – Distribution network plays vital role in reaching at the fragmented farmers' base across the world also enabling excellent feedback mechanism & deep customer relations.

World chemicals sales were valued at USD 5030 Bn in CY 2022. China is the largest chemicals producer in the world, contributing to 39% of global chemical sales in CY 2022. With 14.6%, the EU27 chemical industry ranked second in total sales and United States ranked third with 12.9%.

Worldwide, the competitive landscape has changed significantly over the last ten years. Today, next to the EU 27, US and Japan mostly emerging countries from Asia rank in the top 10 in terms of sales. The BRICS countries (Brazil, Russia, India, China and South Africa) accounted for 48.2% of global chemical sales in CY 2022.

Together with the EU27 and the USA and the BRICS accounted for more than three quarters of global chemical sales, in CY 2022. The remaining quarter of global chemical sales were generated mainly by emerging countries in Asia, including the Middle East.

Exhibit 2.4 : Global Chemicals Sales, CY2022 (USD 5030 Bn)



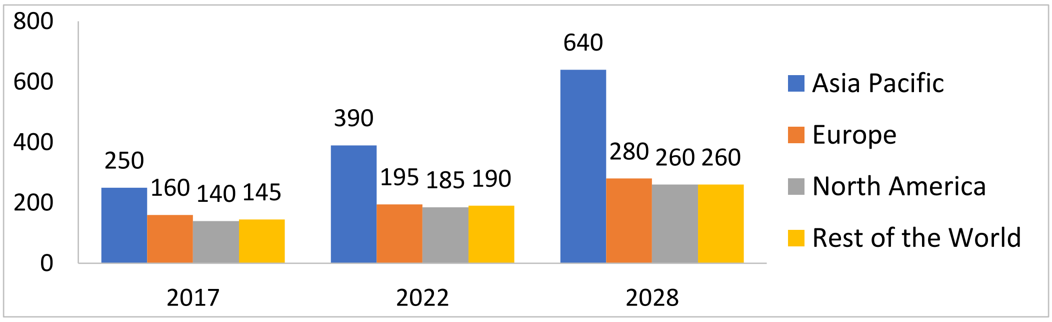
- *Source: CEFIC, IBEF, Frost & Sullivan Analysis*

Global Specialty Chemicals Market

Specialty chemicals are low-volume and high-value products which are sold on the basis of their quality or utility, rather than composition. Thus, they may be used primarily as additives or to provide a specific attribute to the end product. Specialty chemicals are more likely to be prepared and processed in batches. The focus is on value addition to the end-product and the properties or technical specifications of the chemical.

Rapid industrialisation in India and China is expected to drive demand for specialty chemicals. The Asia Pacific (APAC) dominates the market across the world, with a share of 41%, owing to the huge customer base, leading to high demand for specialty chemicals, increasing industrial production, and robust growth of the construction sector in the region. APAC is followed by Europe and North America.

Exhibit 2.5 : Global Specialty Chemicals Market by Geography, CY2017, 2022, 2028F Value (USD 695, USD 960 Bn, USD 1440)



Source: Frost & Sullivan Research

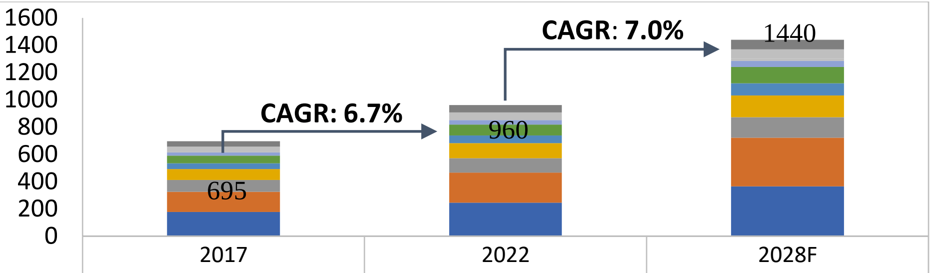
	Asia Pacific	Europe	North America	RoW
CY 2017-22 CAGR	9.3%	4.0%	5.7%	5.6%
CY 2022-28 CAGR	8.6%	6.2%	5.8%	5.4%

With a high population base and majority of countries being underdeveloped or developing nations in Asia Pacific (APAC), there is high rate of construction activities resulting in higher demand for construction chemicals and paints & coatings additives. Embracing modern practices in the fields, agrochemicals have seen tremendous growth particularly for pesticides and fertilizer consumption. China, India and Japan represent the largest agrochemicals markets of the Asian continent. Currently, China is leading the market with its developing agricultural sector along with the need for its ever growing population. Globally, China is not only the largest producer but also the largest consumer of fertilizers.

Global Specialty Chemical Market Segmentation – by Industry and Application Type

Specialty chemicals industry can be categorised into a mix of end-use driven segments and application-driven segments. In terms of attractiveness, the various segments across specialty chemicals differ in competitive intensity, margin profiles, defensibility against raw material cost movements, and growth.

Exhibit 2.6 : Global Specialty Chemicals Market, Value (USD Bn), CY2017, 2022 and 2028F



	2017	2022	2028F
Others	40	52	70
Flavours & Fragrances Ingredients	34	46	68
Textile Chemicals	8	12	16
Paints & Coatings Additives	22	32	45
Dyes and Pigments	58	80	120
Water Treatment Chemicals	42	58	90
Home & Personal Care	80	110	160
Construction Chemicals	85	106	150
Pharma API	149	221	355
Agrochemicals & Fertilizers	177	245	366

Others include Sealants and Adhesives, Polymer Additives etc.

CAGR	***Agrochemicals & Fertilizers***	***Pharma API***	***Construction Chemicals***	***Home & Personal Care***	***Water Treatment Chemicals***	***Dyes and Pigments***	***Paints & Coatings Additives***	***Textile Chemicals***	***Flavours & Fragrances Ingredients***	***Others***
2017-22	6.8%	8.2%	4.4%	6.4%	6.7%	6.6%	7.2%	8.3%	6.3%	5.2%
2022-28F	6.9%	8.2%	6.0%	6.5%	7.7%	7.1%	5.9%	5.0%	6.8%	5.2%

Source: Frost & Sullivan Research

Exhibit 2.7 : Global Specialty Chemicals Market, Industries & Applications, CY2022, Value (USD 960 Bn)

•

Source: Frost & Sullivan Research

Sector	Value (USD Billion)	Share (%)
Agrochemicals & Fertilizers	245	26%
Pharma API	221	23%
Construction Chemicals	106	11%
Home & Personal Care	110	12%
Water Treatment Chemicals	58	6%
Dyes and Pigments	80	8%
Paints & Coatings Additives	32	3%
Textile Chemicals	12	1%
Flavours & Fragrances Ingredients	46	5%
Others	52	5%

5-year growth forecast split by key industries highlighting key factors driving growth

Segments	**Key Growth Drivers**	**(CY 2022-28 CAGR)**
Agrochemicals & Fertilizers	• Increasing global population, decreasing arable land, and consequent requirement to improve crop yields. • New demand for agricultural products would also be created by the use of agricultural products for industrial applications such as in fuel blending and polymer manufacturing, opening up new avenues of applications for agrochemicals	6.9%
Pharma API	• Growing demand for generic drugs globally and India being the largest provider of generic drugs results in higher demand for domestic consumption of Pharmaceuticals chemicals.	8.2%
Construction Chemicals	• Rise in construction projects across emerging markets and increased adoption of construction chemicals for improvement in quality of projects	6.0%

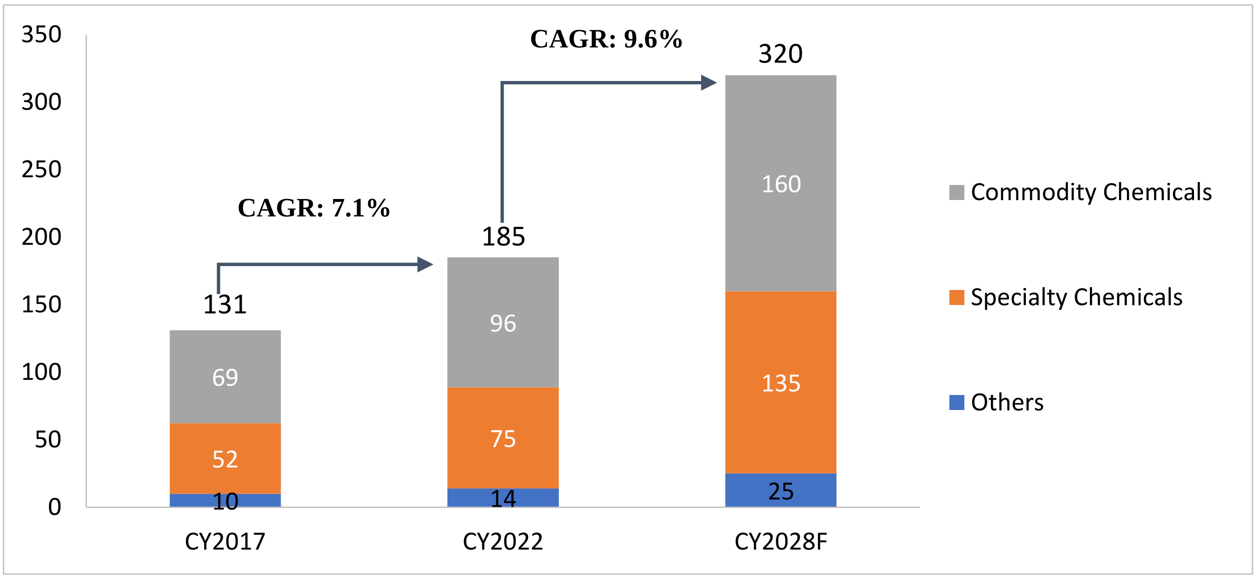
Home & Personal Care	• Growth in demand for personal care and home care products is driven primarily by emerging markets in the Asia-Pacific region, particularly China and India which are expected to grow at around 9-10% CAGR. • USA and Europe are expected to grow at ~4% primarily driven by the shift towards natural active ingredients.	6.5%
Water Treatment Chemicals	• Strengthening environmental regulations and rising water quality standards for municipal consumption in matured markets of North America and Europe • In emerging markets, strong economic growth resulting in greater municipal and industrial spending in water treatment effort will drive growth of this segment.	7.7%
Dyes and Pigments	• Growth is demand for high performance pigments (HPP) which are highly durable pigments, resistant to UV radiation, heat and chemical. • Use of eco-friendly colorants such as low impact dyes is emerging	7.1%
Paints & Coatings Additives	• Demand driven by growing automotive industry, increasing urban population, rising household consumption expenditure and improving economic conditions	5.9%
Textile Chemicals	• Increasing demand for finishing chemicals that allow a variety of beneficial properties like anti-microbial properties, wrinkle-free properties, stain-resistance, etc. to be imparted to the textile	5.0%
Flavours & Fragrances Ingredients	• Strong growth in low-fat and low-carbohydrate foods and beverages in North America • Higher consumer willingness to experiment with new flavours and fragrances. • Increased production of processed foods in developing countries causing a spurt in the demand for flavours • A shift in perception of fragrance from being a nonessential attribute to an indispensable part of personal care	6.8%

India Chemical Industry Overview

The Indian chemicals market is valued at USD 185 Bn in year CY 2022 (~3-4% share in the global chemical industry) with the commodity chemicals accounting for approximately ~50%. It is expected to reach ~USD 320 Bn by CY 2028, with an anticipated growth of ~9.6% CAGR.

FDI inflows in Indian chemicals sector (excluding fertilisers) reached USD $20.75 Bn between April 2000-September 2022. Specialty chemicals industry forms ~40% of the domestic chemical market, which is expected to grow at a CAGR of around 10-11%. Pharmaceutical API segment constitutes ~7% within the Indian chemicals market, contributing significantly to the growth of Indian specialty chemicals industry.

Exhibit 2.8: Indian Chemicals Market, CY2017, 2022 and 2028F (USD Bn)



Source: Frost & Sullivan Research

Note: Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharmaceuticals API outside of Specialty chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories to maintain consistency with the Global section. Agrochemical & Fertilizer and Pharmaceuticals API contribute to more than 55% of the specialty chemical space in India.Others mainly includes biotechnology.

	Commodity Chemicals	Specialty Chemicals	Others
2017-22	6.9%	7.4%	7.0%
2022-28F	10.2%	10.3%	8.8%

The Specialty chemicals industry is driven by both domestic consumption and exports. India's specialty chemical companies are gaining favour with global MNCs because of the geopolitical shift after the outbreak of Covid-19 as the world looks to reduce its dependence on China. In CY 2019, China accounted for ~15-17% of the world's exportable specialty chemicals, whereas India accounted for merely 1-2% indicating that the country has large scope of improvement and widespread opportunity. Post Covid scenario, India's share in specialty chemicals sector has doubled up and increased to 4%. It is anticipated that Specialty chemicals will be the next great export pillar for India.

Home and personal care chemicals, water treatment chemicals, construction chemicals, agrochemicals etc. are areas where specialty chemicals find their applications. The growth of the market is in conjunction with the overall growth of the Indian economy. Aarti Industries, Atul Limited, Vinati Organics, Alkyl Amines, Navin Fluorine are the bigger players prevalent in the Indian Specialty chemicals market.

The "Make in India" campaign is also expected to add impetus to the emergence of India as a manufacturing hub for the chemicals industry in the medium term. Through incentives, subsidies and grants under this campaign, Indian companies could gain further ground as the global companies would want to reduce dependence on China after the COVID-19 pandemic and shift their supply chains. The decline in raw materials prices could also help the margins and reduce working capital need. However, input costs are a pass through for most companies and benefits could be limited. Overall, the specialty chemicals industry is likely to continue to perform well in the near to medium term and is expected to capitalize on the Make in India benefits to assume leadership position in the market.

The exports are on the rise as India is becoming a central manufacturing hub for such chemicals. Tightening of environmental norms (e.g., REACH Registration, Evaluation, Authorisation and Restriction of Chemicals Regulations) in developed countries and the slowdown of China are contributing to the growth of exports.

China's specialty chemicals market has seen a downturn in recent years due to various factors; most prominent being the introduction of stringent environmental norms. Tightening environmental protection added new business operating costs and led to factory closures in high-polluting sectors, which weighed on industrial production. Stricter environment regulations have negatively impacted industrial output since CY 2017. The tightening of environmental protection norms in China since January 2015 resulted in increase in operating costs, closure and relocation of manufacturing facilities. Additionally, the labour cost (hourly cost of compensation) in China was lower than that of India till CY 2007. Over CY 2005-2015, the average labour cost in China increased nearly 19-20% CAGR, against 4-5% CAGR in India. Under these circumstances, the growth of the Chinese specialty chemicals market also has been slowing down. In addition, the recent trade friction between the United States and China reduced Chinese exports to the United States by approximately 3% from 20% in CY 2018 to 17% in CY 2019. This continuing trade war has also opened up export avenues for other Asian countries and India is being looked at as one of the key sourcing destinations. While these may not be permanent trends, these will involve significant costs of production for Chinese companies, enabling India to significantly strengthen its position in the global supply chain and position itself as a viable alternative for global players seeking a de-risked supply chain while containing sourcing costs.

The recent downturn observed in China's speciality chemicals industry is serving as an opportunity for Indian manufacturers, who have now gained a cost advantage over their Chinese counterparts.

Specialty chemical companies will prosper in India because of its chemistry, R&D skillset and economies of scales achieved by the country. India's R&D capabilities and the long-term relationships that the domestic Indian chemical companies have forged with their customers are key to the growth of Indian chemical companies. The sector is witnessing accelerated capital expenditure and investment in R&D to build product development capabilities. Increased R&D allows these companies to step up their position in the speciality chemicals manufacturing value chain to become 'proprietary chemical producers'. The key specialty chemical companies in India have committed capex of 73%-152% for CY 2022 to CY 2025 of the cumulative capex incurred in the last 5 years of CY 2018-22. A significant portion of this incremental capex is towards the value-added segments. It is expected that Indian Specialty Chemicals companies have CAPEX plans in excess of Rs. 16,100 crores over the next 3 years.

These companies had made capital expenditure for capacity augmentation and/or product development based on their end-user industries. Additionally, India's Environmental and Health Safety practices are much more stringent than other manufacturing centres like China, providing a significant strategic advantage. This is evident from the stock performance of the specialty chemical companies. Stocks of specialty chemical companies have fared better than companies in other sectors. Since the start of 2020, broader indices delivered 15% returns however Nifty Pharma topped the rank among other sectors, growing 60%, followed by an almost 55% rise in the Nifty IT index. Nifty metal grew by 16%, while Nifty FMCG was up 15% since the start of the CY 2020. Speciality chemicals is one of the best performing sectors in 2020, even as most other key sectors bore the brunt of the COVID-19 led sell-off in the markets. Known to be a safe bet, it has delivered double-digit returns in the last five years and is expected to witness an increase in demand in the future.

High Barriers to Entry Industry

Complex manufacturing process and complex chemistries

Due to the involvement of complex chemistries in the manufacturing of products and complex production processes requiring high levels of technical knowledge and Research and Development capabilities, the Specialty Chemicals industry observes a high barrier to new entrants.

Rigorous product approvals

Given the nature of the application of products and the complex processes involved, the products are subject to very sensitive and rigorous product approval systems with stringent impurity specifications. Typically, the supplier is required to be enlisted with customers after lengthy qualification for the products, particularly with the customers in industries such as automotive, petrochemical refineries and pharmaceutical industries these norms ensure only the committed players enter and remain in this business. As a consequence of this, approval of any such product typically takes a few years.

Further, the costs involved of approving any change in suppliers of such products are relatively high, consequently disincentivising any such change in suppliers. Customers typically select suppliers after carefully reviewing them and tend to develop long-term relationships with them as well as limit the number of such suppliers.

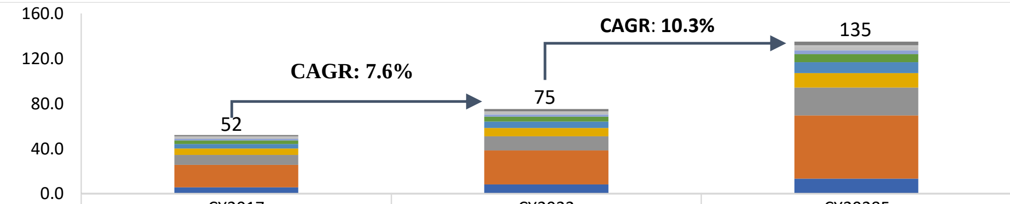
Product customization

The Specialty Chemicals companies enjoy the strong entry barriers in the form of vendor acquisition, lengthy and complex product approval, registration process, customer loyalty among others. These barriers help the companies to ensure sustainable growth. Further, a distinguished and resilient business model is also a unique driver for these companies. Companies specifically catering to FMCG, HPC and food ingredients enjoy strong entry barriers due to their differentiated models and higher levels of product customization. The level of technical skill and expertise that is essential for developing in-house innovative processes, undertaking complex chemistries and handling some of the raw materials and intermediates, requires a significant amount of training that can only be achieved over a period of time thereby creating a further entry barrier for new entrants.

India Specialty Chemicals Market Segmentation– by Industry and Application Type

Traditionally, low-cost labour and raw material availability were the advantages enjoyed by Indian manufacturing companies. Increasingly, though, specialty chemicals companies are focusing beyond these traditional cost advantages. Product development capabilities have become progressively more important across various segments and differentiate the top and bottom performers.

Exhibit 2.9: Indian Specialty Chemicals Market, Value (USD Bn), CY 2017, 2022 and 2028F



	CY2017	CY2022	CY2028F
Flavours & Fragrances Ingredients	1.2	1.8	3.2
Construction Chemicals	0.7	1.0	1.5
Water Treatment Chemicals	1.4	1.9	3.0
Textile Chemicals	1.6	2.1	3.3
Home & Personal Care	3.1	4.4	7.2
Paints & Coatings Additives	4.1	5.5	9.8
Dyes and Pigments	5.6	7.6	12.9
Pharma API	8.9	12.4	24.7
Agrochemicals & Fertilizers	19.8	30.2	56.2
Others	5.6	8.2	13.2

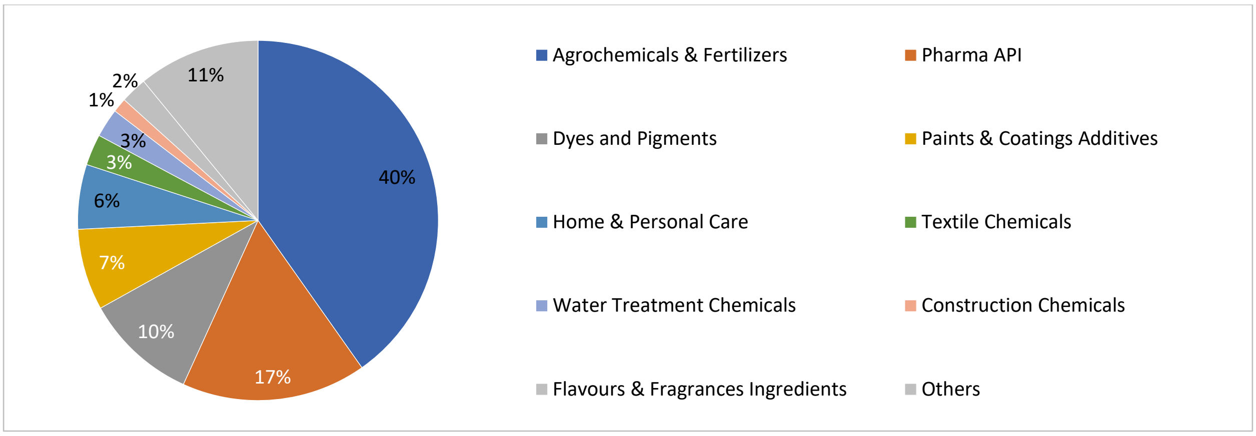
Others include Sealants and Adhesives, Polymer Additives etc.

Source: Frost & Sullivan Research

Note: Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharmaceuticals API outside of Specialty chemicals. In the above graph the specialty chemicals section, however, is inclusive of the

2 categories to maintain consistency with the Global section.Agrochemical & Fertilizer and Pharmaceuticals API contribute tomore than 55% of the specialty chemical space in India.

Exhibit 2.10: Indian Specialty Chemicals Market by Industry and Applications, CY2022, Value (USD 75 Bn)



Others include Sealants and Adhesives, Polymer Additives etc.

Note: Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharmaceuticals API outside of Specialty chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories to maintain consistency with the Global section.Agrochemical & Fertilizer and Pharmaceuticals API contribute tomore than 55% of the specialty chemical space in India.

Inclusions:

- *Agrochemicals and Fertilizers: Agrochemicals includeorganic fertilizers, liming and acidifying agents (which are designed to change the pH), soil conditioners, insecticides and pesticides, fungicides, herbicides, and other chemicals like crop-growth regulators. Fertilizers are mainly inorganic compounds of nitrogen like urea or ammonium nitrate, compounds of phosphorous and potassium.*

- *Dyes and Pigments: These are inclusive of Reactive Dyes, Disperse Dyes, Acid Direct Dyes, Azo Dyes, Sulphur Dyes,Solvent Dyes, Vat Dyes, Food Colorants,Organic Pigments, Optical Whitening agents, Inorganic Pigments,Pigment emulsions among others*

- *Construction Chemicals: These ar einclusive of concrete admixtures (plasticizers, accelerators, retarders, air enterainers), waterproofing (bitumen, PVC, silicon, SBR and others), protective coatings (epoxy, PUR, PE, alkyl, acrylic and others), concrete repair mortar (cement based and plaster based), plasters, base coats among others*

- *Paints and Coatings Additives: These are made up of insulating paint additives, powder coating additives, catalysts, wetting agents, levelers, clarifier, coupling agents, deflocculants, thinners, thickeners, anti-caking agents and other chemicals.*

- *Water Treatment Chemicals: These ar emade up of PH neutralizers, algaecides, antifoams (including insoluble oils, silicones, alcohols, stearates and glycols), biocides, boiler water chemicals, coagulants and flocculants, corrosion inhibitors, disinfectants, defoamers among others.*

- *Textile Chemicals: These ar einclusive of coating & sizing agents, colorants & auxiliaries, finishing agents, surfactants, de-sizing agents, bleaching agents among others.*

- *Flavors and Fragrances: Essential Oils (orange, corn mint, eucalyptus, pepper mint, lemon), Oleoresins (paprika, black pepper, turmeric, ginger, others), Aroma chemicals (esters, alcohol, aldehyde, phenol, others), others.*

- *Home & Personal Care Ingredients: These are inclusive of formaldehyde, glycerols, titanium dioxide, isopropyls, alcohols, dimethicone, sodium lauryl sulphate, parabens, tocopherols benzones, oleochemicals, surfactants, polymers, botanical extracts among others.*

Source: Frost & Sullivan Research

<u>The rise of environmentally friendly specialty chemicals in India</u>

The concept of Green Chemicals in India is evolving. The rising pollution and harm caused to water bodies owing to emission of harmful chemical effluents into water is leading to rise in concern of sustainability.

The classification as green or sustainable is measured across the life cycle of any chemical product, including its design, manufacture, application, and disposal. The products can be used for various applications such as food ingredients, home and personal care products, water treatment, and industrial cleaning products. The demand for green chemicals is particularly high from the textile industry which is one of the major end-users of chemicals. Over the years, Indian chemicals players have invested in safety health & environment ("**SH&E**") to ensure plant sustainability. The evolution of green chemistry in the chemical industry will be a critical trend fuelling the growth of the green chemicals market. The Global Green Chemicals market is expected to reach ~USD 40-50 Bn by CY 2025 at a CAGR of 10.5% from ~USD27 Bn in CY 2020.

The companies in India are still preparing themselves to a larger picture of green and environmentally friendly chemicals start from raw materials to manufacturing process. Over the years it will gain momentum.

Another challenge is seemingly high initial cost of such products which is a major hurdle in getting service providers and consumers accede and adapt the change towards environmentally friendly chemicals. However green chemicals seem comparatively costlier in the initial stage, but their usage over a period of time has shown a reduction in price by approximately 18-20% thus higher ROI.

However, the green chemical wave is inevitable, and it is just matter of time by when the adoption of these new age products will be mandatory and obligatory. People need to be educated about green tendency, green chemical revolution and the benefit of keeping an eco-friendly environment. Once the product is tested by customers they would continue its usage and eventually the industry will prove to be a boom.

The pharmaceutical industry was among the first to embrace Green Chemistry for its significant potential to reduce costs and risks. Green pharmaceuticals as a segment are projected to grow from $27 billion in CY 2016 to USD 96.2 billion in CY 2026. In recent years generic drug companies, API manufacturers, and smaller R&D Pharma companies' exhibit interest and advances in Green chemistry principles. The industry has taken effort to implement key metrics to keep track of GC which includes E-factor, Process Mass Intensity (PMI), atom economy, number of steps, and carbon foot- print, among others.

5-year growth forecast split by key industries highlighting key factors driving growth

Segments	Key Growth Drivers	India Market, (CY 2022-28 CAGR)
Agrochemicals & Fertilizers	• Increase in awareness levels of farmers. • Improvement in rural income encouraged by various government schemes. • Need to improve agricultural yields at a faster pace compared to the growth in demand to be able to meet food sufficiency targets. • DBT (Direct Benefit Transfer) allows for direct transfer of benefit or subsidy to citizens living below poverty line	10.9%

Pharmaceuticals Ingredients (API)	• India supplying key drugs for treatment of Covid-19 across the world • Growing demand for generic drugs globally and India being the largest provider of generic drugs results in higher demand for domestic consumption of Pharmaceuticals chemicals. • The government of India has launched Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) In India. The scheme intends to boost domestic manufacturing of identified KSMs, Drug Intermediates and APIs by attracting large investments in the sector and thereby reduce India's import dependence in critical APIs. • The Government of India announced INR 9,940 crores packages to boost the domestic API manufacturing industry. The package is divided into two parts – INR 6,940 crores has been allocated for the PLI Scheme and INR 3,000 crores will be spent on setting up three bulk drug parks.	12.1%
Construction Chemicals	• Growth in Indian construction industry over the next five years, driven by housing and infrastructure projects • Increase in adoption of global standards of construction in India will lead to growth of this market	7.6%
Paints & Coatings Additives	• Growth in per capita paint consumption in India • Strong growth in automotive industry	10.1%
Water Treatment Chemicals	• The growing urban population is adding to the demand for water purification and waste water management • Implementation of stringent government regulations, such as the zero liquid discharge regulation, for the treatment of sewage prior to release into bodies of water including those for industrial effluents is likely to drive demand for wastewater treatment plants	7.6%
Textile Chemicals	• Driven by domestic demand and exports of high quality textiles	7.9%
Flavours & Fragrances Ingredients	• Marketing by FMCG companies has created demand for categories like deodorants, room fresheners and perfumed soaps in rural markets. • Increasing demand for processed food	10.3%
Home Care and Personal Care Ingredients	• Growth in population and per capita income to drive growth in this segment. • Growth in demand for safety and hygiene in urban as well as rural areas • Rapid increase in the adoption of personal care products, especially in rural markets	8.7%
Dyes & Pigments	• The current strategy of most European pigment producers is to use their local facilities for high-end performance colorants for new and niche markets and source non differentiated dye, pigments from low-cost facilities based in China and India	9.3%

Impact of Make in India

The chemical industry contributes 7.98% GVA of manufacturing sector in FY 2022. The government permits 100% foreign direct investment (FDI) in this sector under the automatic approval route. FDI in the Chemicals sector (excluding fertilizers) was USD 20.96 Bn (April'2000 to December 2022). A CY 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector.

The size of production of Major Chemicals increased to 6.48 million tonnes during CY 2022-23 (up to September 2022) as compared to 6.3 Million tonnes during the corresponding period of the previous year. Within the specialty chemicals, manufacturing of fine chemicals (pesticide ingredients as well active pharmaceutical ingredients), paints and coating additives, surfactants and colorants will be most attractive segments in the next half decade. This is due to their strong growth potential, highly differentiated products folio and high penetration levels predominantly.

Moreover, India's specialty chemical companies are gaining favour with global multinational corporations because of the geopolitical shift including COVID 19 and the Russia-Ukraine war. Increasing tariff levels and changing environmental policies in China along with 'Make in India' initiative, would add more possibilities of specialty chemicals manufacturing base shifting from China to India. With the rapid globalisation and opening up of the Indian economy, "Intellectual Capital" has become one of the key wealth drivers in the present international trade.

Across India, the recent revision of Market Access Initiative by the Ministry of Commerce and Industry aims at benefiting the small to mid-segment newer industry players which do not possess global sales and marketing reach. Under the MAI scheme, financial assistance is provided to Indian exporters, export promotion councils, and other eligible organizations for their marketing and promotional activities in specified focus countries and regions. Information regarding the activities approved and funds utilized under the MAI Scheme has been provided since the fiscal year 2019-20 until the present date as below.

Financial Year	**No. of activities approved**	**Fund allocated for the Scheme (in ₹Crore)**	**Fund utilised (in ₹Crore)**
2019-20	490	325	325
2020-21	240	171	171
2021-22	424	140	140
2022-23 (as on 27.3.2023)	522	190	160

Source: Department of Commerce, India

In FY 2020, the Govt. of India's Cabinet had approved PLI scheme for 10 sectors. This received great acceptance and encouragement from industries and investors alike. So much so, that associations within other sectors not included in the previous scheme have requested inclusion of their respective sectors under the PLI scheme. The decision of the government will be entirely based on industry representations and its own parameters for including a sector under the PLI gambit. The department of chemicals has proposed the scheme and has identified 50 speciality chemicals that is expected to have future economic potential. The Govt. is considering the representations of these other industries. It is likely to be brought under the PLI scheme shortly.

India aims to triple its present petrochemicals capacity by FY 2040. Approximately ₹10,000 crore will be pumped into the petrochemicals industry to meet this capacity expectation. Under the PLI scheme, selected companies are expected to avail 10-20% incentive on their incremental sales. The Indian chemicals and petrochemicals industry serves as a building block for other industries such as paints and pigments, varnishes, pulp and paper, soaps and detergents, pharmaceuticals, and textiles among others. Seven sectors are anticipated to get ₹35,000 crore in next round of PLI. Among the seven sectors, five sectors likely to be included are toys, bicycles, leather & footwear, critical intermediates for chemicals, and containers.

On the pharmaceutical industry front, the Government of India is committed to ensuring the delivery of affordable healthcare in the country as well as ensuring that there is a steady supply of critical drugs. This has resulted in the launch of the Production Linked Incentive Scheme (PLI) for APIs, KSMs and DIs as well as the Scheme for Promotion of Bulk Drug Parks.

The objective of the scheme is to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high-value goods in the pharmaceutical sector. One of the further objectives of the scheme is to create global champions out of India who have the potential to grow in size and scale using cutting-edge technology and thereby penetrate the global value chains.

The manufacturers of pharmaceutical goods registered in India will be grouped based on their Global Manufacturing Revenue (GMR) to ensure wider applicability of the scheme across the pharmaceutical industry and at the same time meet the objectives of the scheme. The qualifying criteria for the three groups of applicants will be as follows:

Group A: Applicants having Global Manufacturing Revenue (FY2020) of pharmaceutical goods more than or equal to INR 5,000 cr.

Group B: Applicants having Global Manufacturing Revenue (FY2020) of pharmaceutical goods between INR 500 (inclusive) Cr and INR 5,000 Cr.

Group C: Applicants having Global Manufacturing Revenue (FY2020) of pharmaceutical goods less than INR 500 cr. Within this group, a sub-group for MSME industry will be made given their specific challenges and circumstances.

Scheme for Bulk Drug Parks

The scheme on Promotion of Bulk Drug Parks for financing Common Infrastructure Facilities in 3 Bulk Drug Parks with financial implication of INR 3,000 crore for FY 2021. Assistance under the scheme will be admissible for such facilities by State Government in Bulk Drug Parks. Parks will have common facilities such as solvent recovery plant, distillation plant, power and steam units, common effluent treatment plant etc.

Although the chemical sector is already included in the previous PLI scheme, critical intermediates for chemicals sector is likely to receive an additional ₹5,000 crore over and above the earlier PLI scheme. This scheme is meant to promote domestic growth for chemicals that are mostly imported within the country.

India – Racing Ahead of China

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

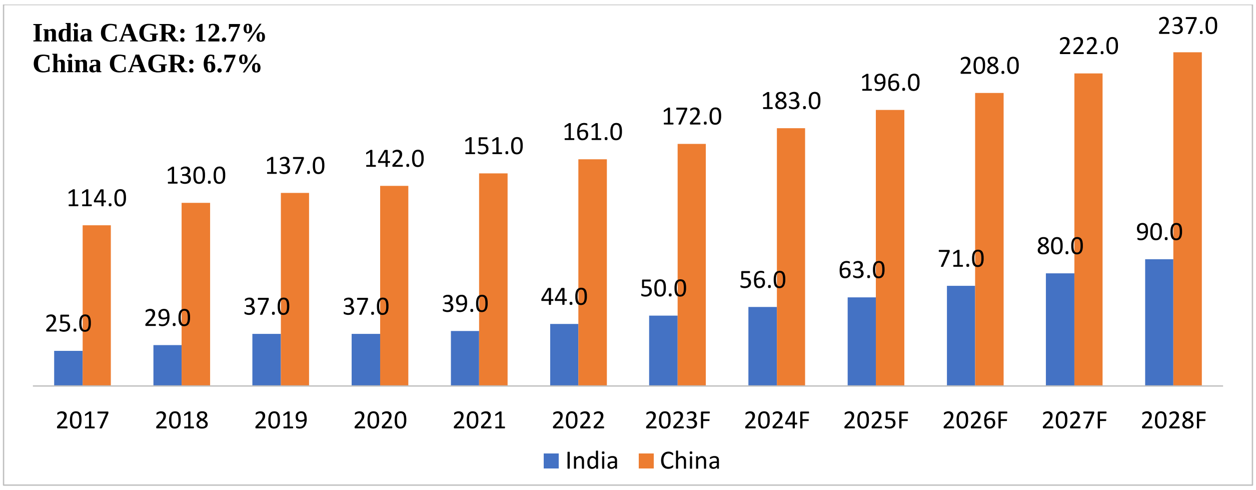
The Chinese government started implementing stricter environmental protection norms from January 2015. With the focus on controlling pollution, the Chinese Ministry of Environmental Protection enforced strict penalties on polluting industries, including chemicals. Some of the major steps taken were:

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

As a result of all of the above, the Chinese chemical companies are witnessing a rise in capex and opex costs, making them less competitive in the export market. In CY 2017, an estimated 40% of the chemical manufacturing capacity in China was temporarily shut down for safety inspections, with over 80,000 manufacturing units charged and fined for breaching emission limits.

Exhibit 2.11: Chemicals Exports Trend – India vs China

(CY 2017–22 Actuals, CY 2023–28 Forecast), USD Bn



Source: World Bank, Frost & Sullivan Research

- *Note: The forecasted data is not published by World Bank; it has been calculated considering the same CAGRs for both the countries.The actual CAGR for India and China respectively for the period 2015-2019 stood at around 13% and 7%; as World Bankdoes not forecast the export trends, the same CAGR (13% for India and 7% for China) has been considered for the forecast period 2023-2028.*

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

Several global players prefer a "China + 1 offshore strategy", with capacities shifting to cost efficient markets with strong technology capabilities like India. Stringent environmental regulations and increased cost of labor have already stifled growth in China, which contributes 35-40% to the global chemical industry. The pandemic has compounded the situation further as companies across the world are looking for alternate supply solutions. Japan's announcement to offer incentives to companies shifting base from China to India further proves the desperation engulfing countries to reduce dependence on China and develop local supply chains. JVs/ Technology transfers will drive the knowledge wave for the Indian industry, given stronger IP protection rights. The spillover impact of China's declining competitiveness has set the stage for India to intensify its effort to capture larger market share.

Indian companies are still experiencing wave of bigger orders from Global companies who previously used to purchase from Chinese counterparts. Many customers have been dependent on China for a long time and they are looking for an alternative and India is their preferred choice. Many small and large companies are experiencing surge in demand form global companies who are shifting their source from China to India.

With new regulations in place and the Chinese companies adhering to new norms, they are expected to bounce back with certain level of reforms in the way of operations. Whenever the Chinese companies make a comeback, it would be at a significantly higher cost of production given the significant investment in environmentally compliant equipment and manufacturing practices. India, in the meantime, would have significantly strengthened its position in the global supply chain and would be a very viable alternative for global players looking to de-risk their supply chain, while retaining their sourcing costs. Pharmaceuticals and agrochemicals are some of the key sectors that are particularly set to benefit from this shift in dynamics, wherein the Chinese manufacturers continue to operate at lower capacity levels, given the increased monitoring of safety standards and compliance norms.

Labour represents one of the main costs of manufacturing goods. And importers have watched China's labour costs soar in recent decades, often growing by 10-15% annually.

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

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

Improvement of Feedstock availability - Government has encouraged companies to set up capacities in petroleum, chemicals, and petroleum investment regions (PCPIR) by demarcating special zones to aggregate feedstock demand. PCPIRs are expected to boost chemicals manufacturing, to the extent that it is sufficient to meet domestic as well as export demand.

India enhances its Value Chain to tap the potential in Pharmaceutical Industry

Product development in the pharmaceutical industry is separated into the discovery, exploratory and development phases, with a development cycle typically lasting around 15 years, although this is complicated by globalisation and the multiple layers of delivery through distributors and wholesalers. Each participant in a drug delivery process has their own motivation and access to information and is regulated and managed in different ways. With the globalisation of the drug manufacturing sector, manufacturers are targeting markets such as China, India and Brazil as locations not only to sell to, but also for outsourcing manufacturing, research, development and clinical trials. However, an array of issues (e.g. security, intellectual property and knowledge of government legislation) within these emerging markets has presented disruption challenges to drug producers. However, India's lucrative policy reforms offered Indian players to produce drugs which can be bulk exported to western countries. Moreover, India's effective Intellectual Property Rights (IPR) Policy safeguards new product developments as well as international patents.

The Indian pharmaceutical industry is the world's third largest in terms of volume and thirteen largest in terms of value. The impact transcends the value chain, with Indian pharmaceutical companies leading in APIs as well as formulations. India's API industry is ranked the third largest in the world, and the country contributes approximately 57% of APIs to the WHO's pre-qualified list. It also caters to 62% of the global vaccine supply and is the largest supplier of generic drugs to the global manufacturing industry. Supported by a growing Pharma industry, India has a large, growing trained and skilled workforce to support large-scale pharmaceutical manufacturing projects. It also has the ability to manufacture high-quality medicines at competitive prices, with approximately 33% lower manufacturing cost than that of the U.S. and half of that in Europe.

The value chain in the pharmaceutical industry starts right from the raw materials procurement-to testing of materials, getting it manufactured in facilities, storing it rightly at the manufacturing sites at the right temperature, at the right conditions. That is moving them from warehousing to distributors to stockists, to hospitals or the retailer and finally to the patient. One of the major bottlenecks for Indian Pharmaceutical industry was related to the input material.

India deliberately worked hard on ensuring that the country has a control on the availability of these raw materials and also active pharmaceutical ingredients. From couple of years government and the industry have larger focus to change what has been the forte of the Chinese industry to supply API's to India. A lot of work has been done and a lot of it is in progress by various stakeholders to ensure that large clusters of API industry are created in India so that our reliance on imports is reduced.

How is the KSMs/Intermediates market growing in India and becoming self-reliant

Over 70% of India's KSM/intermediates import requirement is satisfied by China, mostly for antibiotics and vitamins. India's dependence on China for APIs and bulk drugs can be attributed to the fact that Chinese imports are 20%-30% cheaper than their Indian counterparts. According to data from the Trade Promotion Council of India (TPCI), India imported Rs. 35,249 crore worth APIs and Bulk drugs in CY 2022. 70% of the imports were from China. Under a government scheme launched in CY 2021, 35 APIs began to be produced at 32 plants across India in March. This is expected to reduce dependence on China by up to 35% before the end of the decade. KSMs for some key APIs like caffeine, chloramphenicol, azithromycin, sulfadoxine, ciprofloxacin, metformin, ciprofloxacin, levofloxacin, ofloxacin, ampicillin, amoxicillin and cephalosporins are sourced from China.

The key strategy of the Indian manufacturers till date has been to do a higher value addition to the products and then explore markets across the globe for better realization. As such most companies focused on producing speciality products and started importing the basis key starting materials and intermediates. Many of the key starting materials and intermediates thus have been imported to large extent from over a decade from China, which has been an economical sourcing option.

Cost Head	China Advantage
Raw Material	Cheaper by 25-30% as compared to India
Cost of production	~20-30% lower than in India
Set-Up Costs	15-20% lower set-up costs due to economies of scale
Logistics Costs	1% of total costs in China vs. 3% for India
Electricity	Lower by 20-30% compared to India; Steam is 40–50% cheaper compared to India
Financial Assistance	~13% tax incentives for the export of APIs and soft loans; Exemption from various taxes and low to no import duties
Other Costs	Cheaper by 25-30%

Source: Industry Input

The Government of India's proposition to support local manufacturing of many possible raw materials and intermediates especially in the Pharmaceutical space will enhance the growth in the domestic market and reduce imports, especially from China. With a shift in investments from regulated markets like Europe to developing countries like India, domestic production is expected to increase, reducing dependency on imports encouraging the current trend of exports of intermediates to grow substantially.

The Government of India in the FY 2020-2021 announced INR 9,940 crores packages to boost the domestic API manufacturing industry. The package is divided into two parts – INR 6,940 crores has been allocated for the PLI Scheme and INR 3,000 crores will be spent on setting up three bulk drug parks. Out of the total allocation of INR 6,940 crores for the PLI Scheme, INR 4,600 crores will be earmarked for fermentation-based products and INR 2,340 crores for chemical synthesis products. The PLI scheme is applicable to 41 critical KSMs/APIs and aims to address the supply issue of 53 identified critical APIs. The list has been classified into two broad categories – chemical synthesis products comprising of 27 KSM/APIs and fermentation-based products comprising of 14 KSM/APIs. Under the fermentation-based category, two companies per product will benefit from the incentives, while four companies per product will benefit under the chemical synthesis category.

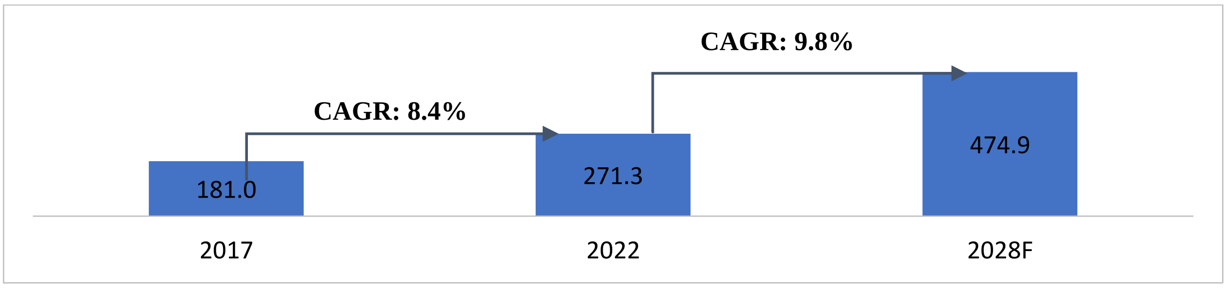
The national scheme for promotion of bulk drug parks focuses on the reduction of the manufacturing cost of bulk drugs in the country and dependency on other countries for its availability. In line with this, CSIR-NCL has undertaken research work in the area of chemical synthesis of drug intermediates. More than 27 or so bulk drugs cover different therapeutic classes such as anti-viral, retro-viral, antibiotics, anti-bacterial, anti-fungal, cardiovascular, diabetes, cholesterol-lowering, anti-cancer to simple painkillers like paracetamol, are synthesised from about 10-12 simpler building blocks or KSMs/ drug intermediates.

These initiatives and government support will help India attain self-sufficiency in the drug supply chain. Advancements in chemical processes will bring down the cost of production through continuous flow synthesis, process optimisation, and reaction engineering which would help India is more self-reliant.

Global CRAMS Market Overview

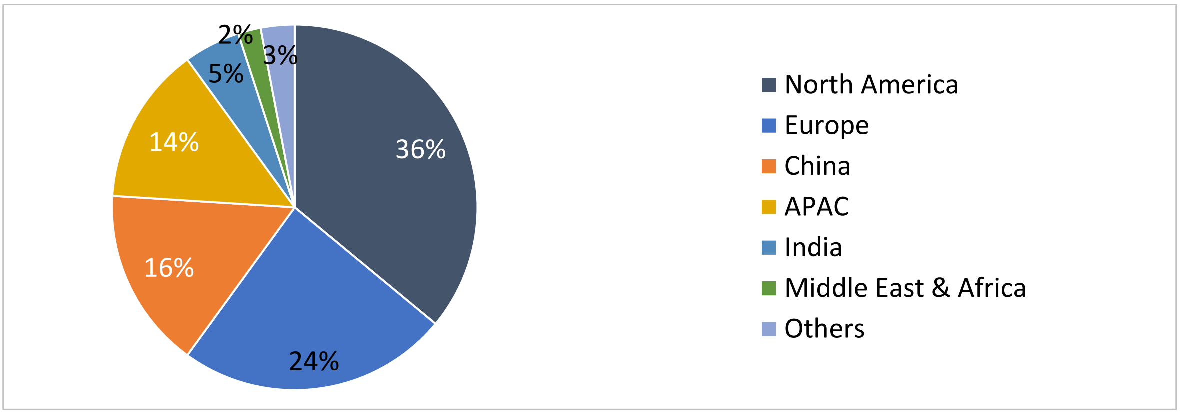
The global market for custom synthesis & manufacturing was valued at USD 271.3 billion in CY 2022; for global specialty chemicals contract manufacturing. Custom synthesis & manufacturing is used for contract synthesis of agrochemical technical grades or active ingredients, intermediates and specialty chemical products along with other fine chemicals like active pharmaceutical ingredients, etc. This market is anticipated to grow at ~10% CAGR in next 5 years.

Exhibit 2.12 : Global Custom Synthesis & Manufacturing Market (in USD Bn)



Source: Frost & Sullivan Research & Analysis

Exhibit 2.13 : Global Custom Synthesis & Manufacturing Market, CY2022, by Region (USD 271 Bn)



Source: Frost & Sullivan Research & Analysis

India market constitutes almost ~5% of the global CRAMS market in CY 2022 which totals to USD 13.6 billion. This market is driven by research & development of new molecules/chemistries developed with the intention of reducing capital investments in the overall fine chemicals segment. The Chinese market for custom synthesis & manufacturing contributes around 15-18% of global market (by value terms) whereas Japanese market is around ~10% (by value). North America & European Union countries contribute more than 60% market share in the global CRAMS/CSM segment.

The custom synthesis & manufacturing market across the globe was growing at a CAGR of 8.4% over CY 2017-22 and this growth will be higher (~10%) as compared to historic growth due to increasing trends in contract manufacturing of fine chemicals. The accelerated growth, and approval, of new therapies over the last two decades has put CRAMS/CMS for active pharmaceutical ingredients (APIs) in high demand. The pace of contract manufacturing has been increasing day by day, with companies shifting their focus on core activities. Major drivers of global customs synthesis and manufacturing market are new active ingredients development, innovators shifting focus to core competencies and outsourcing of production to low manufacturing cost destinations. India, being a low manufacturing cost destination, has advantage of skilled labour force successfully delivering to the MNC’s (their outsourcing needs).

Global CRAMS market players

Three quarter of global contract research and manufacturing services market is concentrated in North America, Europe and China. Major CRAMS players involved in the fine chemicals business are – Quintiles, Covance, Catalent, Paraxel, Lonza, Charles River Lab, Patheon and others.

India CRAMS Market Overview

Owing to a wide-ranging product mix consisting of high-end research services, biologics, and complex technology services, all offered at a low cost, contract research and manufacturing services (CRAMS) industry has witnessed tremendous growth in the Indian subcontinent.

The development costs to discover new drugs escalates every year, especially in the developed nations. Several key pharmaceutical players are now outsourcing their early drug development activities covering pre-clinical and early phase research to some of the leading Contract Research Organization (CRO) players in the market which was earlier handled by the companies themselves. The CRO model is not new to drug discovery and drug companies actively use clinical monitoring, data management CRO and GMP API manufacturers to facilitate their clinical programs, helping reduce the cost of drug development.

Global pharmaceutical companies are currently focusing on outsourcing research activities to various academic institutes and private CROs to gain a competitive edge and remain flexible. Trends have emerged in outsourcing to CROs, especially an increase in early-stage medicinal chemistry. Today, each drug discovery function can be managed by CROs, and each segment of the drug discovery function can support a viable and independent business. It is a mutual benefit for both the drug companies and the CROs. In addition, Global pharmaceutical companies are lending a key focus on innovative drug development to treat myriad chronic diseases. These aforementioned factors will expand the scope of the CRO market in the forthcoming years. In most cases, process development and clinical research are the majorly opted services from CRAMS players.

As per industry reports, the global CRO market size is around USD 60+ Bn in CY 2022 and is expected to exceed USD 135 Bn by CY 2028 growing at a CAGR of 10-11% between CY 2022-2028.

Globally, pharma companies being faced with growing challenges in major markets, demands from customers and growing pressures from competitors, are adopting a range of strategies designed to reduce costs and maximize efficiency. Owing to weak purchasing power worldwide, the global pharma players are looking at sourcing cheaper APIs. Several factors make India an attractive alternative for sourcing active ingredients.

India is amongst the preferred destinations for outsourcing of research as well as manufacturing activities. The low-cost innovations and manufacturing coupled with skilled manpower and cutting-edge R&D has helped in the growth of Indian API market. Given India's expertise in pharmaceuticals manufacturing and the presence of large number of US FDA approved manufacturing facilities, it is well poised to provide benefit in the CRAMS segment. Indian firms are able to tackle complex synthesis in relatively shorter periods with cost-efficiency. Indian CRAMS companies hold a competitive edge across the global pharmaceutical industry in being the most preferred partners for drug development and manufacturing. The Indian companies can manufacture bulk drugs in-house at 40% to 50% of cost.

New age CRAMS providers are able to cater to not just the pharmaceutical clients, but also biotech, agrochemicals, nutrition, animal health, consumer goods and others. This has opened up wider growth opportunities for the sector. At present, there is very less innovator manufacturing happening out of India as contract manufacturing. However, with the right scale, capacities, systems and infrastructure, integrated service providers well placed to capture a larger share of the innovator manufacturing opportunities. Outsourcing research helps improve cost efficiency as outsourcing certain parts of drug development helps companies in reducing costs and also provides flexibility in terms of managing resources. Factors like profit pressure due to patent expiry and price erosion due to generics is also pushing pharmaceutical companies to outsource their R&D. India becomes one of the most attractive destinations due to the large availability of skilled scientists in the country, better infrastructure (Scientific as well as digital), emergence of smaller pharmaceutical companies and biotech companies which have been instrumental in new drug development and a high growth potential of biosimilars – An R&D intensive segment of Pharma. Owing to a wide ranging product mix consisting of high-end research services, biologics, and complex technology services, all offered at a low cost, CRAMS industry has witnessed tremendous growth in the Indian subcontinent.

According to the Indian Government, India would be one of the top five pharmaceutical innovation hubs with one out of every 5 to 10 drugs discovered in India.

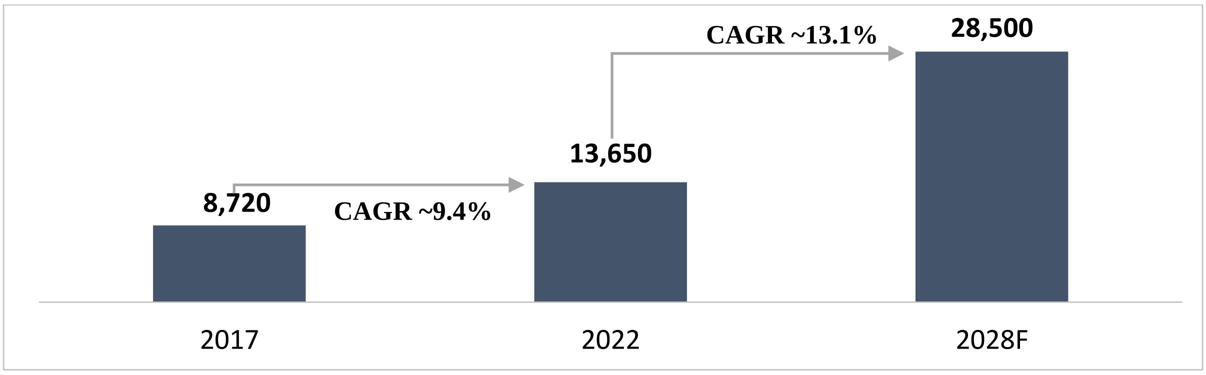
With externalization of research to emerging markets, India presents a strong case for outsourcing research and manufacturing. Whilst contract manufacturing is expected to garner a larger share of revenues in the range of over 50-60%, the country is also witnessing a simultaneous contribution from the contract research services capturing rest of the CRAMS services and over 20% of the APAC CRO market. The Indian government policies to encourage exports and support the growing R&D through several tax benefits have allowed the country to be on the forefront of contract research and manufacturing services.

Global CRAMS market is highly fragmented with over 1000 players with SEA countries such as India, China, Japan, Singapore, Malaysia etc. expected to show a robust double digit growth. Asia Pacific will stay at the forefront of the CRAMS industry with India and China leading the charts. Cost advantage, knowledge of regulatory and GMP requirements, and proficiency in English continue to be key strengths.

Environmental factors played a key role in shifting the API production base from Europe to Asia with China benefitting the most in the last 2 decades. The Chinese have historically been strong in high volume and commodity chemicals. Although China has the capital and the hard capabilities, its capabilities in soft skills and supply of the dossiers and other technical documents required as supporting data to file Drug Master File (DMF) have certain short comings. India, on the other hand is way ahead of its competitors in DMF filings. Moreover, Various factors like blasts in chemical zones and closure of transit to new chemical zones have led to an increase in the production costs for China resulting in inflationary pressures across the value chain and end segments.

Given the macro factors in favour of the Indian API companies, tradition Indian companies that were steadily growing despite Chinese competition in the past will now grow at a significant pace. These rising prices in Pharmaceutical value chain in addition to the government's push on the PLI scheme have proven to be extremely beneficial for the Indian players.

Exhibit 2.14: India CRAMS market – CY2017, 2022 and 2028F, value (USD Mn)



Source: Frost & Sullivan Research

India is a frontrunner in the number of FDA-approved manufacturing sites outside the United States and a leader in the bulk drug manufacturing market dominated by generics and biosimilars. As a result, Indian CRAMS market is valued at USD 13.6 Bn in CY 2022 and expected to grow at CAGR of 13% to USD 28.5 Bn in CY 2028.

Growth Drivers:

With a lower capital expenditure in the range of 25-50% for setting a facility, India is a big attraction for global pharmaceutical companies to collaborate with local CRAMS players. Apart from lower set up costs, it is easier to acquire trained manpower which further eases the R&D activities.

Abundant pool of professionals in the area of drug development and research chemistry, owing to an enormous base of pharmacists and chemistry post-graduates qualifying every year is an added attraction. With MNCs around the globe under constant pressure to prune costs, collaboration with CRAMS providers is the most viable option for maintaining profitability.

Across India, the recent revision of Market Access Initiative by the Ministry of Commerce and Industry aims at benefiting the small to mid-segment newer industry players which do not possess global sales and marketing reach. As a result of the revised MAI policies, the robust growth in CRAMS industry in India will support newer economies such as Myanmar, Cambodia to collaborate with the local Indian players beneficial for the overall growth of the Asian economy. Moving forward, with a total of over 300 USFDA approved manufacturing sites, the country can become the global leader in the CRAMS industry with the implementation of mandates.

Total sales potential from the expiry of drug patents between CY 2020-26 is estimated at ~USD 252 Bn. Since pharmaceutical research is costly and risky, companies hit by a patent cliff will not reinvest in research. They will first try to ward off generic manufacturers and reclaim their market share. While the flooding of the market with generic drugs might look appealing to consumers, in the long run, it will have drawbacks. The disruption in R&D will result in longer waiting periods for new drugs to release. This presents a large opportunity for Indian generic companies. India could concentrate on increase in exports to regulated markets of US and Europe.

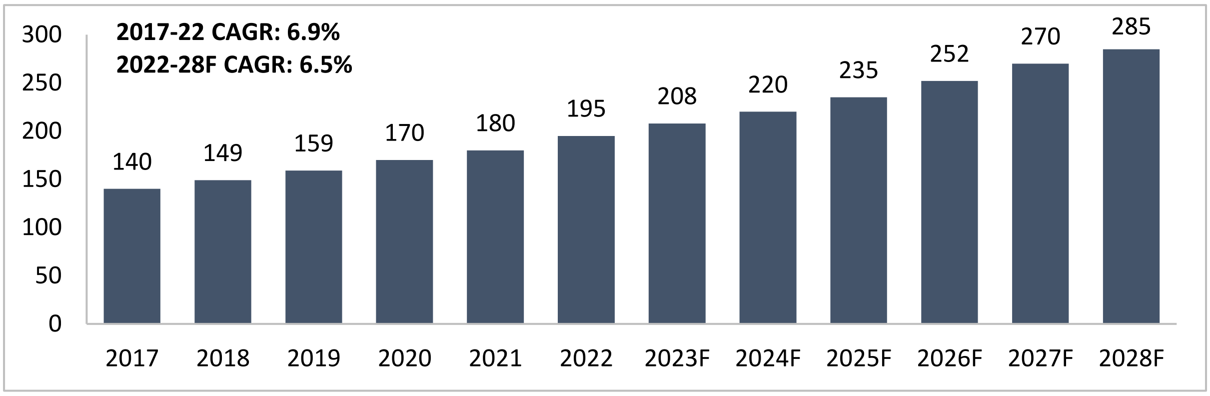
In some regions a structured government intervention by way of the existing Free Trade Agreements (FTAs) like the South Asian Free Trade Area (SAFTA), Japan-India Comprehensive Economic Partnership Agreement (CEPA), Association of Southeast Asian Nations (ASEAN) Trade in goods agreement, can benefit Indian companies to leverage such markets with customised therapeutic offerings. Regions working towards reducing the healthcare costs and with the upcoming patent cliff opportunity across formulations both chemical and biologics, could boost growth, create newer export corridors for Indian companies. Collaboration play (likes of GAVI for vaccine) with international regulatory bodies like International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) and Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme (PIC/S) would also facilitate access to these markets.

Section 3: Pharmaceuticals API Intermediates Industry Overview

3.1. Global Active Pharmaceutical Ingredients Market

The Global API market has shown steady growth of 6.9% since CY 2017 and is expected to continue the growth trend at 6.5% due to an increased focus on developing geographies. APAC API industry is majorly involved in manufacturing of API which is consumed domestically and even exported to developed nations on a large scale. The most attractive markets for API manufacturers to export their products are the US and Europe partly because they are the most lucrative markets. Globally on API manufacturing front, it is estimated that Chinese manufacturers make around 40% of all APIs used worldwide and that China and India are the source of 70% to 80% of the APIs imported to the US (CY 2022). India plays a prominent role in the formulations segment of the industry. India is the third largest producer of pharmaceuticals in the world by volume. Some of the key API manufacturing locations across the global include China, India, North America (including both captive and merchant markets), EU (key manufacturing hubs including Italy, Germany, Switzerland, Italy, Belgium, Netherlands, UK, France, among others).

Exhibit 3.1 : Global API, Industry size (USD Bn), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

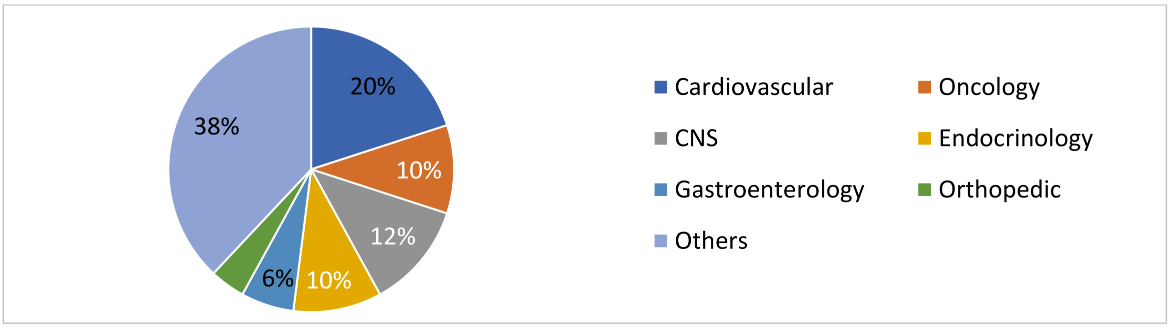
Growth in the Active Pharmaceutical Ingredients market will be primarily driven by government initiatives, regional penetration, increasing aged population and patent expiration of prominent drugs. Among its various applications, anti-infectives, gastrointestinal disorders, oncology and hormone related disorders; oncology, HIV, Central Nervous System (CNS) and Cardiovascular (CVS) are likely to be the fastest growing application of API. Investments in R&D coupled with patent expirations of drugs will make Asia Pacific the fastest growing API market.

Synthetic API's form about 70% of the total market and Biologics about 30% (CY 2020). Complicated process, higher regulations, high investments have been some of the key reasons for lower share of biologics. Biological drugs are gaining importance in the treatment of chronic diseases. These have been expensive due to challenging set of manufacturing requirements and difficult replication as against synthetic APIs. Advancements in the production technology have enabled production of biosimilars that are not exact copies of innovator drugs, but highly comparable in terms of safety and efficacy. However, with increased interests in oncology products this segment is expected to have a higher growth.

Biotech APIs segment is expected to grow at the highest CAGR during the forecast period. Biotech drugs are preferred due to their specificity in action, advancements in biotechnology, increase in the demand for monoclonal antibodies and their similarity with the natural biological compounds found in the human body.

Monoclonal antibodies segment is expected to account for the largest share of the global APIs market, by type of APIs. In CY 2022, the monoclonal antibodies segment accounted for the largest share of the APIs market. Due to their rising application in oncology and other therapeutic areas, there has been an increase in the number of FDA approvals in launching innovative biopharmaceutical products, which has resulted in investments and technical advances in R&D.

Exhibit 3.2: Global API market Split by Therapy Segment, CY2022 (in USD Bn) – USD 195 Bn



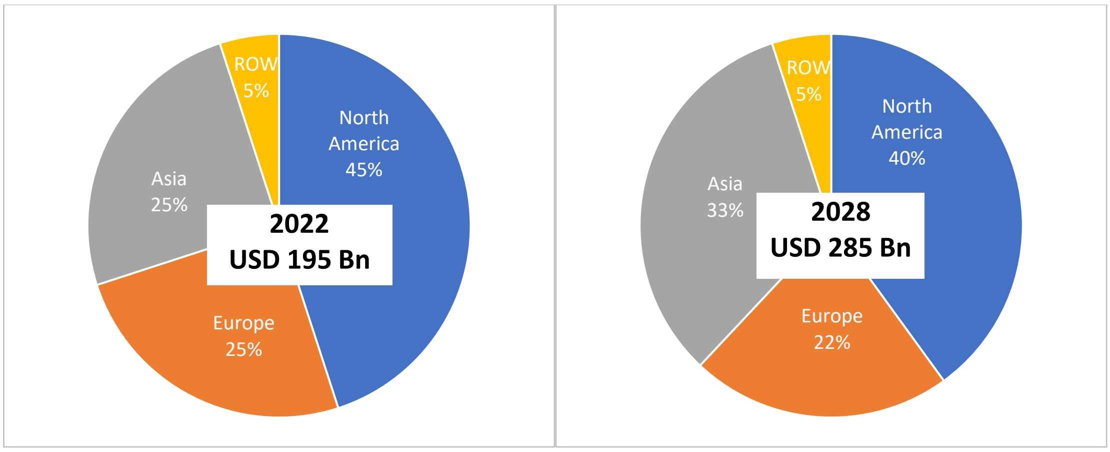
Source: Frost & Sullivan Primary Research & Analysis

Growth Rate (CAGR)	Cardiovascular	Oncology	CNS	Endocrinology	Gastroenterology	Orthopaedic

CY 2022-28F	3.8%	7.4%	9.4%	7.0%	4.3%	6.6%

Cardiology/ cardiovascular was the largest therapy segment in API for the year. Increasing prevalence of cardiovascular diseases worldwide and high demand for fast-acting drugs are some of the key factors responsible for the segment growth. Oncology, HIV and Central Nervous System (CNS) are likely to be the fastest growing during the forecast period. Moreover, with the growing prominence of Covid-19, there have been growing cases of people across the world undergoing depression phase. Owing to this the Antipsychotic and Antidepressants drug are highly sought and the therefore these markets are expected to grow with a decent CAGR.

Exhibit 3.3: Global API market segmentation by geography, CY2022 and CY2028



- *Source: Frost & Sullivan Primary Research & Analysis*

North America will remain one of the largest markets for APIs, followed by Europe. APAC is majorly involved in manufacturing of API which is consumed domestically and even exported to developed nations on a large scale. The most attractive markets for API manufacturers to export their products are the US and Europe partly because they are the most lucrative markets.

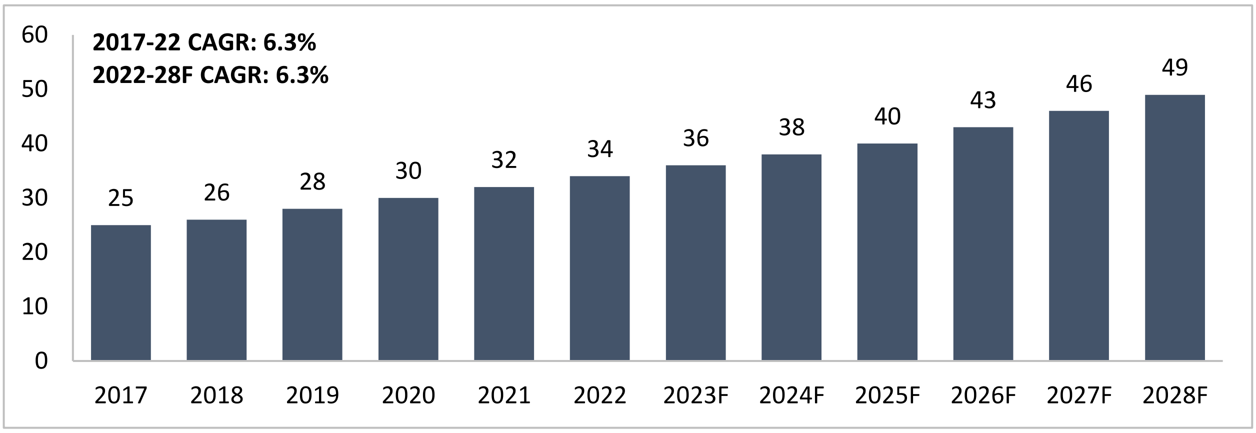
However, with the Pharmerging markets which are mainly in Asia, growth will be over 12% in Asia (CY 2022-2028). Tier I pharmerging market contains China, which dominated the global pharmerging market because of high government healthcare spending. Tier II is made up of Brazil, India and Russia, all of which feature an increase in lifestyle diseases, rise in consumer awareness and favourable government policies. Counties in Tier III, which hold the least market shares among Pharmerging countries, include Indonesia, Thailand, Mexico, Turkey, Egypt, Vietnam and South Africa.

3.2. Global API-KSM Market

The Global market for speciality intermediates that go into pharmaceutical application was valued at USD 34 Bn for CY 2022. Key Starting Material (KSM) term is used for intermediates in pharmaceutical industry. These are building blocks of drug industry. High volume specialty intermediates constitute of the basic synthetic building blocks for producing active ingredients, these intermediates include organic acids, esters, amines, nitriles, aldehydes, anhydrides, ketene and diketene derivatives, ketones and others.

Emergence of Specialty Segments (Biologics) and with the market facing fierce competition from China, companies have started exploring the specialty segments for export purpose. Key chemistries include Fluorine, Speciality Amines, Chlorine, Bromine etc.

Exhibit 3.4: Global API-RM/KSM, Industry size (USD Bn), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

Evolution of production base for KSM and API

Phases	Novel Product – 1-3 Years from Launch	3-10 Years of Launch	> 10 Years of Launch
Price	Extremely High	High Price	Stabilized Price
Demand Volume	Market penetration stage: Low Volume	Exponential Growth: High Volume requirements generated	Marginal Growth: Volume requirements will be high. Lookout for alternatives
API Production Location	Limited to the patent holders production site , concentrated in North America, Europe and Japan	API production outsourced to Asian region.	Commoditized production in Asia, mainly in India and China
Intermediate Production Location	Intermediates are mainly in-house or sourced from strategic partners in India	Intermediates are mainly in-house and part of it sourced from Asia, both India and China for intermediates in n-5/n-4 range	Intermediates are sourced mainly from China, for intermediates in n-1/n-3 range
Raw Material Consumption and Procurement	Key raw materials are under contract and generally sourced from fine and speciality chemical companies, mainly in Europe	Key raw materials are under contract and generally sourced from fine and speciality chemical companies, mainly in Europe, India and China	Key raw materials are sourced at the production location

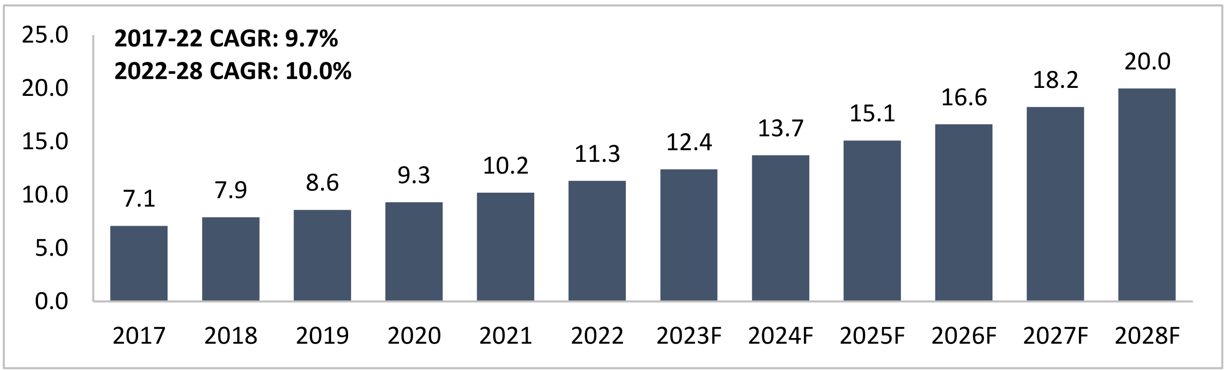
3.3. India Active Pharmaceutical Ingredients Market

Active Pharmaceutical Ingredient (APIs) are substances, or a mixture of substances intended to be used in the manufacture of a drug (medicinal) product and that when used in the production of a drug becomes an active ingredient of the drug/ product. Key Starting Material (KSM) term is used for intermediates in pharmaceutical industry. These are building blocks of drug industry.

The Indian pharmaceutical industry is the world's third largest in terms of volume and fourteenth largest in terms of value in CY 2022. The increasing incidence of chronic diseases, along with growing importance of generics is the key factors driving the growth of the Indian APIs market. Advancements in active pharmaceutical ingredient (API) manufacturing and growth of the biopharmaceutical sector is also driving the market growth.

The Indian API market has shown steady growth of 9.7% since CY 2017 and is expected to further expand at nearly 10.0% going forward till CY 2028. By raising production yields, changing production processes and increasing sales in international markets, API manufacturers in India are making efforts to improve their marketing ability in the regulated markets. More than 30% of the APIs manufactured in India are exported to countries such as US, UK, Japan, etc. (CY 2022)

Exhibit 3.5: Indian API Industry size (USD Bn), CY2017-2028F

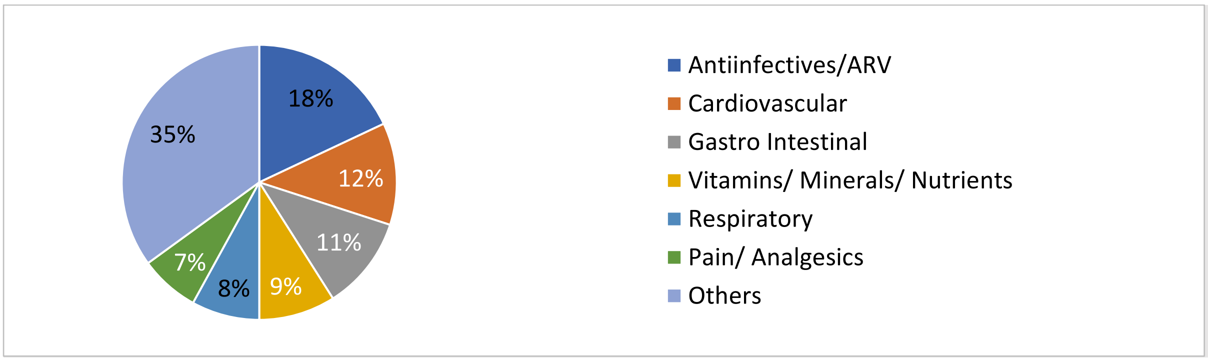


Source: Frost & Sullivan Primary Research & Analysis

In the Indian API market, there are several APIs currently available. Key players, such as Sun Pharma, Cipla, Dr Reddy's, Aurobindo Pharma, Lupin, etc., develop these APIs. Companies either create in-house APIs or grant contracts to other companies. At present, APIs are primarily used for the production of generic drugs in the Indian market.

The development of specialty intermediates is driven by the need for application-specific chemicals of various industries. Dynamic advancements in end-user industries demand for a change in product using different stages of intermediates. In India, with emphasis on product innovation, brand building and environmental friendliness, the speciality intermediates are moving toward greater customer orientation. India's strengths in organic chemicals' synthesis and process engineering along with global reliance on Intellectual Property Protection are key aspects of differentiation.

Exhibit 3.6: Indian Domestic API Market – by Therapy Segment , CY2022 (in USD Bn) – USD 11.3 Bn



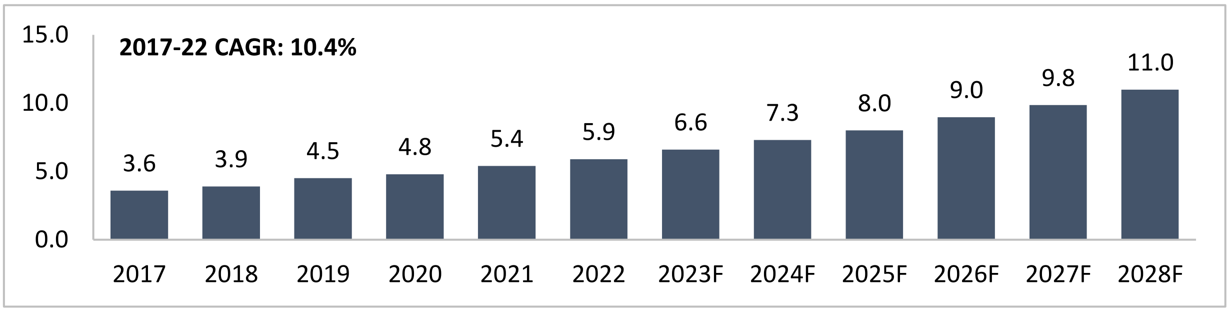
Source: Frost & Sullivan Primary Research & Analysis

Unlike the global market considering that the economy comes under 'developing' nations, anti-infective forms the largest category of APIs. Cardiovascular is one of the growing segments associated with growth in lifestyle diseases. Cardiovascular diseases (CVDs) became the leading cause of mortality in India.

3.4. India API- KSM Market

The key starting materials/ intermediates form the essential part of Pharmaceutical value chain in India. Intermediates refer to the substances that are semi-finished products and /or material that is essential to make a product. The market for Pharmaceutical intermediates in India for the CY 2022 was estimated to be around USD 5.9 Bn, growing at a CAGR of 10.4% over CY 2017-22.

Exhibit 3.7: Indian API-RM/KSM Market size (USD Bn), CY2017-2028F



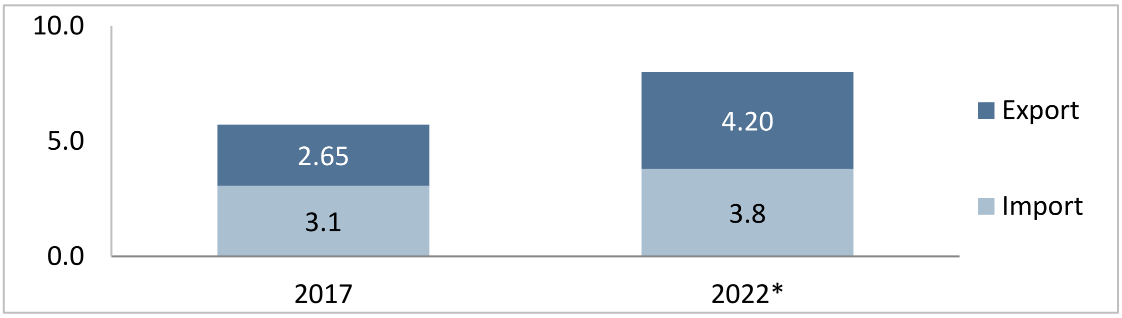
Source: Frost & Sullivan Primary Research & Analysis

The development of specialty intermediates is driven by the need for application-specific chemicals of various industries. Dynamic advancements in end-user industries demand for a change in product using different stages of intermediates. In India, with emphasis on product innovation, brand building and environmental friendliness, the industry especially that of speciality intermediates is moving toward greater customer orientation. India's strengths in organic chemicals' synthesis and process engineering along with global reliance on Intellectual property protection are key aspects of differentiation.

3.5. Trade Scenario of API

Imports and Exports:

Exhibit 3.8: India API-RM/KSM, Trade, CY 2017, 2022 (USD Bn)



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

While India is one of the world's leading exporters of formulated drugs, its pharmaceutical industry relies heavily on bulk drug exports. As the industry matured and grew, compared to the API, Indian players graduated to the highly lucrative formulation portion of the value chain. At present, the bulk drug industry accounts for around one-fourth of the overall pharmaceutical market in India and formulations dominate the remainder.

The Indian Pharma industry is highly dependent on imports from China for some of the key APIs: penicillin G, levodopa, streptomycin, meropenem, carbidopa, vancomycin, gentamicin and progesterone. Domestically produced APIs account for 60 – 70% of the total quantity; however, key starting material (KSMs) for some key APIs like caffeine, chloramphenicol, azithromycin, sulfadoxine, ciprofloxacin, metformin, ciprofloxacin, levofloxacin, ofloxacin, ampicillin, amoxicillin and cephalosporins are sourced from China. All fermentation-based products like penicillin G, amoxicillin and tetracycline, which are used as base chemicals for most antibiotics, have a very high dependence on China.

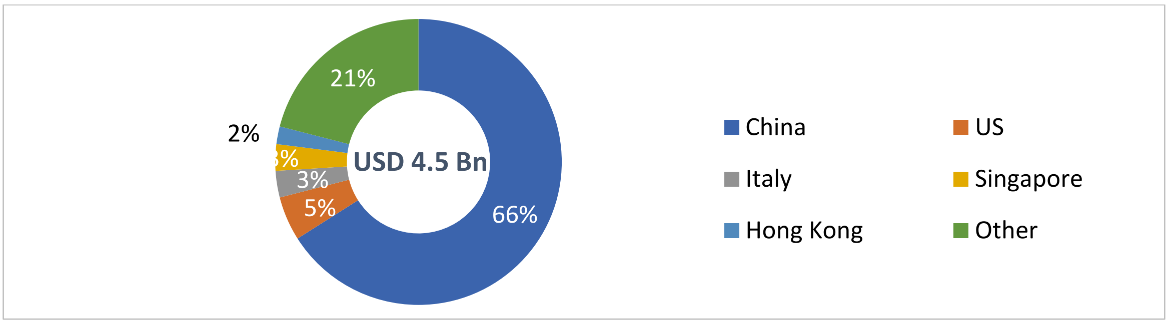
Exhibit 3.9: Key Intermediates / KSMs from China having high demand in India

Name of intermediate	Name of API synthesized	Therapeutic
Cyanoacetic Acid	Caffeine	Caffeine is a stimulant drug used in multiple API / drugs.Caffeine is most commonly used to improve mental alertness, for treating migraine headaches, etc.
L-aminodiol	Chloramphenicol	Antibiotic (eye and ear infections)
Azithromycin amine	Azithromycin	Antibiotic (chest infections)
MCPSA and DCMP	Sulfadoxine	Sulfa drug to treat malaria
Cyclopropylamine **DCFA – 2, 4-Dichloro-5-flourobenzoyl** **Chloride** **Ethyl 3-(N,N dimethyl amino) acrylate**	Ciprofloxacin	Fluoroquinolones antibiotics to treat chest infections (including pneumonia)
DCDA	Metformin	Type 2 diabetes
2, 3, 4, 5–tetrafluoro benzoyl chloride	Levofloxacin ester Ofloxacin ester	Quinolone antibiotics to treat bacterial infection
L-Alaninol	Levofloxacin ester	Quinolone antibiotics to treat bacterial infection
DL-Alaninol	Ofloxacin ester	Treatment of respiratory tract and skin, for gonorrhea, and several urinary tract conditions.
6 APA	Ampicillin and Amoxicillin	Penicillin-type antibiotics used to treat bacterial infections of the middle ear and respiratory tract, tonsils, throat, larynx (laryngitis), urinary tract, skin, and gonorrhoea.
7 ACA	Cephalosporins	Beta-lactam antimicrobials used to manage a wide range of infections from gram-positive and gram-negative bacteria.
(S,S)-2, 8 Diazabicyclo [4, 3, 0] Nonane	Moxifloxacin	Treat certain infections caused by bacteria such as pneumonia, and skin, and abdominal (stomach area) infections
4-Cyanopyridine	Ethionamide Protionamide	Treat tuberculosis (TB)

4-Amino-5-(aminomethyl)-2-methyl pyrimidine	Vitamin B1 Hcl	Treat or prevent a lack of thiamine (deficiency)
4-Methyl-5-ethoxyloxazole **2-isopropyl-4, 7-dihydro-(1,3)-dioxepin**	Vitamin B6 Hcl	n/a
2–mercaptothiazoline	Cysteamine Hc	Treat eye problems in people with cystinosis
3-Cyanopyridine **Beta Picoline**	Niacin	Prevent and treat pellagra (niacin deficiency)
	Penicillin G	Essential API for manufacturing several antibiotics

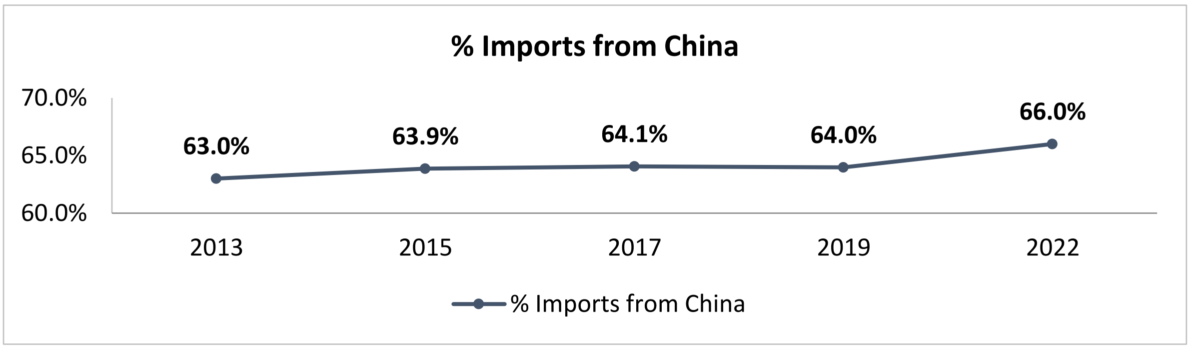
Source: IDMA, Frost and Sullivan Analysis

Exhibit 3.10: India's Bulk Drugs import by Country, CY2022 (USD Bn)



- *Source: CII, Frost & Sullivan Analysis*

Exhibit 3.11: India's import dependency, % being imported from China, India, CY2013 to CY2022



- *Source: CII, Frost & Sullivan Analysis*

Imports from China have been on a steady rise over the years (from 63% in CY 2013 to 66% in CY 2022) due to the low-cost advantage enjoyed by Chinese manufacturers. However, India is trying to reduce its dominance on China for APIs. India plans API production push and hopes to challenge Chinese dominance. India is reportedly working on a plan to supersize its own ingredient manufacturing to combat Chinese dominance in the market. The Indian government is planning to escalate domestic production of pharmaceutical ingredients to counteract a perceived over-reliance on Chinese imports now hampered by COVID-19 shutdowns. India has identified and prioritized production of 53 raw materials and active pharmaceutical ingredients (APIs) as part of its "China-plus-one" policy to fill in supply gaps of affordable medicines.

3.6. How is the KSMs/Intermediates market growing in India and becoming self reliant

Over 70% of India's KSM/intermediates import requirement is satisfied by China, mostly for antibiotics and vitamins. India’s dependence on China for APIs and bulk drugs can be attributed to the fact that Chinese imports are 20%-30% cheaper than their Indian counterparts. According to data from the Trade Promotion Council of India (TPCI), India imported Rs. 35,249 crore worth APIs and Bulk drugs in FY 2022. 70% of the imports are from China. Under a government scheme launched in FY2021, 35 APIs began to be produced at 32 plants across India in March. This is expected to reduce dependence on China by up to 35% before the end of the decade.

Key starting material (KSMs) for some key APIs like caffeine, chloramphenicol, azithromycin, sulfadoxine, ciprofloxacin, metformin, ciprofloxacin, levofloxacin, ofloxacin, ampicillin, amoxicillin and cephalosporins are sourced from China.

Covid-19 highlighted the loopholes of the Indian Pharmaceutical market. The irregularities in supplies not only skyrocketed the domestic prices for certain medicines but also disturbed foreign trade due to the restrictions on exports. The low availability of Key Starting Material (KSM) in India has highlighted the weak points of India’s pharmaceutical sector. After Covid-19 pandemic, India decided to have higher focus on reducing import dependence of Active Pharmaceutical Ingredients (APIs) and key starting material (KSM) for drug manufacturing.

The DSA (Drug Security Authority) aims to make India self-sufficient and also help it become a global leader in manufacturing of APIs, key starting materials, intermediate and chemicals for domestic as well as export. The aim is to ensure India becomes a USD 120 billion industry in 10 years and transforms itself into a huge pharmaceutical market.

CSIR-NCL (Council of Scientific and Industrial Research–National Chemical Laboratory) has plans to scale-up research on drug intermediates to cut imports from China. NCL is working on molecules that can be key ingredients for making various kinds of drugs as a part of Prime Minister Narendra Modi’s approved special package for the Promotion of Bulk Drugs Parks, announced on March 21.

The Government of India in the FY 2020-2021 announced INR 9,940 crores packages to boost the domestic API manufacturing industry. The package is divided into two parts – INR 6,940 crores has been allocated for the PLI Scheme and INR 3,000 crores will be spent on setting up three bulk drug parks. Out of the total allocation of INR 6,940 crores for the PLI Scheme, INR 4,600 crores will be earmarked for fermentation-based products and INR 2,340 crores for chemical synthesis products. The PLI scheme is applicable to 41 critical KSMs/APIs and aims to address the supply issue of 53 identified critical APIs. The list has been classified into two broad categories – chemical synthesis products comprising of 27 KSM/APIs and fermentation-based products comprising of 14 KSM/APIs. Under the fermentation-based category, two companies per product will benefit from the incentives, while four companies per product will benefit under the chemical synthesis category.

The national scheme for promotion of bulk drug parks focuses on the reduction of the manufacturing cost of bulk drugs in the country and dependency on other countries for its availability. In line with this, CSIR-NCL has undertaken research work in the area of chemical synthesis of drug intermediates. More than 27 or so bulk drugs cover different therapeutic classes such as anti-viral, retro-viral, antibiotics, anti-bacterial, anti-fungal, cardiovascular, diabetes, cholesterol-lowering, anti-cancer to simple painkillers like paracetamol, are synthesised from about 10-12 simpler building blocks or KSMs/ drug intermediates.

These initiatives and government support will help India attain self-sufficiency in the drug supply chain. Advancements in chemical processes will bring down the cost of production through continuous flow synthesis, process optimisation, and reaction engineering which would help India is more self-reliant.

3.7. India: Well placed to see growth in this market

The key strategy of the Indian manufacturers till date has been to do a higher value addition to the products and then explore markets across the globe for better realization. As such most companies focused on producing speciality products and started importing the basis key starting materials and intermediates. Many of the key starting materials and intermediates thus have been imported to large extent from over a decade from China, which has been an economical sourcing option. Almost 70% of the intermediates as of CY 2022 were imported.

Cost Head	China Advantage
Raw Material	Cheaper by 25-30% as compared to India
Cost of production	~20-30% lower than in India
Set-Up Costs	15-20% lower set-up costs due to economies of scale
Logistics Costs	1% of total costs in China vs. 3% for India
Electricity	Lower by 20-30% compared to India; Steam is 40–50% cheaper compared to India
Financial Assistance	~13% tax incentives for the export of APIs and soft loans; Exemption from various taxes and low to no import duties
Other Costs	Cheaper by 25-30%

Source: Industry Input

The Government of India's proposition to support local manufacturing of many possible raw materials and intermediates especially in the Pharmaceutical space will enhance the growth in the domestic market and reduce imports, especially from China. With a shift in investments from regulated markets like Europe to developing countries like India, domestic production is expected to increase, reducing dependency on imports encouraging the current trend of exports of intermediates to grow substantially.

India plans to set up a nearly Rs 1 lakh crores (USD 1.3 Bn) fund to provide boost to companies to manufacture pharmaceutical ingredients domestically by 2023. Government of India unveiled 'Pharma Vision 2020' to make India a global leader in end-to-end drug manufacture. The approval time for new facilities has been reduced to boost investment. With many global end users looking for an alternative to China, India stands as an immediate alternate due to its significant years of experience in handling global regulatory requirements, strong process know how, strength in R&D and low cost. India has a good number of well-trained chemists and R&D scientists to support the ever-evolving Pharmaceuticals Industry.

The cost of setting up a fully FDA-inspected plant in India is on an average 50% less when compared to the developed countries. The production and operation costs have been found to be 40-70% lower when compared to the developed nations. Labour costs in India are on average 60-70% less than those in developed nations.

3.8. Drivers & Challenges in Indian API Industry

<u>Key Drivers:</u>

Increased Consumption of Generic Drugs

India is a developing country in which a large part of the population lives below the poverty line. The poverty rate in India is 12.4%, according to the World Bank. These people and many others need cost-effective treatment. Consequently, the market for generic drugs, which are made with the aid of APIs, has increased. The growth of the Indian API market will be fuelled by a further rise in demand for generic medicines.

Invention of New Generation of APIs

There is an urgent need for new research developments in the pharmaceutical industry in India that will yield ground-breaking and successful drugs and therapies. This need is an important factor driving the growth of the country's API industry, which has led to a new generation of APIs being invented. Ionic liquids are one example of the latest age of APIs. Used as APIs are ionic liquids with biological activity. Ionic liquids are organic salts with melting points below 100°C and composed entirely of ions.

Outsourcing

It plays the major role for India's API industry and hence the country has the biggest number of USFDA-approved plants outside the US and the trend is expected to continue with China also facing environmental and stability crisis. Also, the cost of setting up and running a new manufacturing facility in India is one-fifth of the cost of western countries thus attracting investments in the space.

Other Drivers

- Increasing disposable income and health care awareness is encouraging multinational and domestic Pharma companies to invest in R&D and new facilities in India.
- Local companies with indigenous manufacturing capability, 100% FDI in Pharma through automatic route, a front runner in a wide range of specialties involving complex drugs' manufacture, development, and technology.

Key Challenges:

India relies primarily on China to import APIs which form a major pharmaceutical ingredient for some of the main drugs. Around 64% of India's APIs are imported from China.

Inadequate infrastructure

Indian API manufacturers are facing higher operating costs largely because of insufficient funding for infrastructure. There is a shortage of clusters of bulk drugs, access to low-cost services (waste management systems, steam, water, power, etc.), funding for R&D and skilled staff. Moreover, inadequacy of infrastructure for proper transportation and storage of drugs is a major hurdle in proper functioning of the supply chain in Pharma which is one of the essential requirements especially with biologics-based products.

Environmental clearances issues

The clearance process is complex as approvals need to be obtained from several authorities, such as the State Environmental Impact Assessment Authority 's Prior Environmental Clearance; the Coastal Regulation Zone (CRZ) clearance from the Coastal Zone Management Authority of the State / Union Territory concerned (CZMA); the State Pollution Control Board's authorization for the handling of hazardous waste; from State Pollution Control Board; evaluation of groundwater abstraction from Central Groundwater Authority and Ministry of Environment, Forests and Climate Change (MoEF & CC)

Complex approval process for setting up a manufacturing plan

There are several regulatory bodies that frame rules and guidelines for the pharmaceutical and bulk drug industries, directly or indirectly. This multiplicity can lead to inefficiencies in resource distribution at the policy-making level and also generates a fragmented agenda. The challenges pertaining to regulations, at times, can take longer to resolve due to multiple decision makers. The approval timelines are lengthy (takes about two– three years) and voluminous (about 20–25 approvals) with multiple stakeholders.

Coronavirus outbreak and impact on supply chain

Pharmaceutical players in India are closely monitoring China's coronavirus outbreak and its effect on the country's supply of KSMs and APIs, especially antibiotics and vitamins. Compared to larger companies with diversified drug portfolios, the effects of China's production slowdown have been more detrimental to smaller players. The price of some pharmaceutical ingredients has spiked, at least in the short term, for Indian drug manufacturers. Since January 2020, the price of various mainstream antibiotics such as Azithromycin has increased by at least 50 %. The Indian government had moved to set limits on the export of around 26 pharmaceutical ingredients to counter the domestic shortage of essential medicines.

High entry barrier

- Long gestation period to be enlisted as a supplier to customers, particularly in US and European jurisdictions, due to strict compliance requirements, leading to a high regulatory gestation period.
- The involvement of complex chemistries in the manufacturing process, which is difficult to commercialize on a large scale.

Other Challenges

- Inadequate R&D, Lack of required high end product development capable Human resource, insufficient cold storage facilities are some of the key challenges from manufacturing perspective.
- Absence of a well-structured healthcare System in rural India which is a significant segment of population. According to estimates, urban centres are home to almost 70% of the doctors and almost 65% of the country's hospital beds despite having less than 30% of the total population. This has resulted in high level imbalance when it comes to providing proper healthcare services and products to rural India, which in turn has impacted the Pharmaceutical segment.
- Recently, there have been many issues faced by Indian companies due to non-adherence of US FDA norms in manufacturing. The problem faced by Indian companies is not because of the quality issues but more from the documentation maintenance irregularities. Whenever there is a quality issue with the product, Indian companies have voluntarily recalled back the products.
- Fragmented and unorganised distribution system and very less penetration of IT solutions has made the entire process more cumbersome, however it is starting to change.

3.9. Government Initiatives

China's outbreak of COVID-19 has affected the world economy hard, and one of the worst-hit manufacturing sectors is the Indian pharmaceutical industry. The price of some of the essential medicines in India has shot up, such as Paracetamol. Fearing that the supply disruption from China will continue for an extended period of time, on 3 March 2020, the Directorate-General of Foreign Trade (DGFT) of India amended the Export Policy 2018 (Amendment to the Export Policy of APIs and Formulation of APIs) with a view to limiting expenditure of certain pharmaceutical products from India.

This restriction extends to 26 active pharmaceutical ingredients (APIs) and their formulations, including paracetamol, vitamins, hormones and antibiotics, which account for approximately 10% of total pharmaceutical exports to India. The Export Policy (Amendment to the Export Policy on Hydroxychloroquine and its Formulations) was subsequently amended on 25 March 2020 to limit the export of APIs and 'wonder drug' formulations of hydroxychloroquine for the treatment of COVID-19 conditions.

These initiatives are aimed at ensuring that drugs are available in India. As India is the world's largest supplier of generic drugs, a range of countries have introduced initiatives to determine the effect on their public health programmes of this restriction.

The Indian government had tasked the Katoch Committee to recommend steps to ensure the self-sufficiency of bulk drugs in the country. India has plans to give impetus to domestic API production. The report released in CY 2015 by the committee made recommendations as follows: Setting up of six large API manufacturing clusters or mega parks in five to six states. These clusters would be equipped with facilities such as common effluent plants, testing facilities, assured power supply, and IPR management.

Reforms: These include constituting a committee to facilitate inter-ministerial coordination, integration of portals of different departments into a single online platform for tracking the application status, and the delegation of reviewing powers to institutional committees.

Schemes: Production Linked Incentive Scheme for Bulk Drugs (PLI 1.0)

The Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) in India. Production Linked Incentives of up to INR 6,940 crores have been approved.

A financial incentive will be given to eligible manufacturers of identified 41 eligible products which covers 53 APIs, for 6 years, committed investment and sales made by selected applicant for the eligible products.

Production Linked Incentive Scheme for Pharmaceuticals (PLI 2.0)

The objective of the scheme is to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high-value goods in the pharmaceutical sector. One of the further objectives of the scheme is to create global champions out of India who have the potential to grow in size and scale using cutting-edge technology and thereby penetrate the global value chains.

The manufacturers of pharmaceutical goods registered in India will be grouped based on their Global Manufacturing Revenue (GMR) to ensure wider applicability of the scheme across the pharmaceutical industry and at the same time meet the objectives of the scheme. The qualifying criteria for the three groups of applicants will be as follows:

Group A: Applicants having Global Manufacturing Revenue (FY2020) of pharmaceutical goods more than or equal to INR 5,000 cr.

Group B: Applicants having Global Manufacturing Revenue (FY2020) of pharmaceutical goods between INR 500 (inclusive) Cr and INR 5,000 Cr.

Group C: Applicants having Global Manufacturing Revenue (FY2020) of pharmaceutical goods less than INR 500 cr. Within this group, a sub-group for MSME industry will be made given their specific challenges and circumstances.

Scheme for Bulk Drug Parks

The scheme on Promotion of Bulk Drug Parks for financing Common Infrastructure Facilities in 3 Bulk Drug Parks with financial implication of INR 3,000 crore for FY2021. Assistance under the scheme will be admissible for such facilities by State Government in Bulk Drug Parks. Parks will have common facilities such as solvent recovery plant, distillation plant, power and steam units, common effluent treatment plant etc.

3.10. Global and India Anti-Hypertensive Drugs Market Overview

Global Anti-Hypertensive Drugs Market Overview

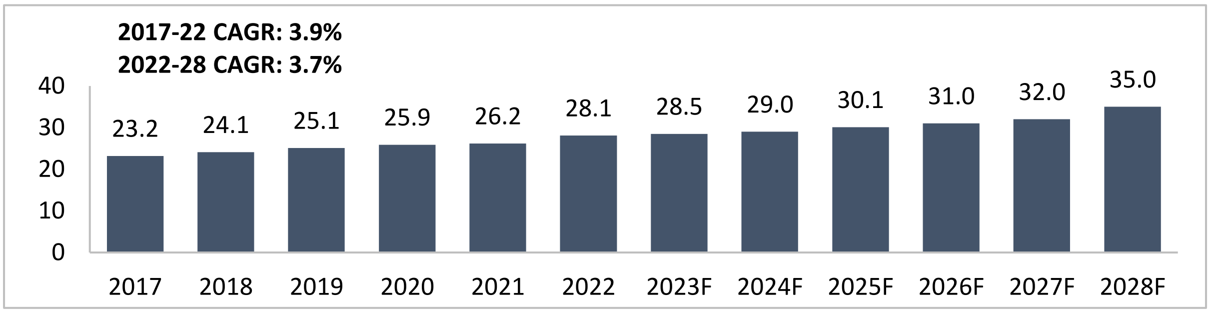
The global antihypertensive drugs market accounted for USD 28.1 Bn in CY 2022 and is expected to reach USD 35 Bn by CY 2028, registering a CAGR of 3.7% from CY 2022 to CY 2028.

The anti-hypertensive drugs market consists of sales of anti-hypertensive drugs and related services. These drugs are used to prevent heart failure, kidney failure and acute stroke induced by hypertension. Some of the major anti-hypertensive drugs include diuretics, angiotensin-converting enzyme (ACE) inhibitors, and angiotensin II receptor antagonists. The market is segmented by therapeutics into diuretics, angiotensin receptor blockers (ARBs), angiotensin converting enzyme (ACE) inhibitors, beta blockers, alpha blockers, calcium channel blockers, renin inhibitors, vasodilators; by disease source into primary hypertension, secondary hypertension.

On the basis of therapeutics type, diuretics segment held the major share of the market in terms of revenue and is anticipated to grow with a CAGR of 3.8% (CY 2022-2028). The reason is attributed to the fact that in most patients' thiazide diuretics are the cornerstone of hypertension treatment. Hydrochlorothiazide is the diuretic with thiazide most commonly used resulted in the hike in demand for Anti-Hypertensive Drugs'. In addition, the US Joint National Committee on the prevention, detection, evaluation and treatment of high blood pressure recommends thiazide-type diuretics as one of the preferred hypertension drug treatments and these continuous advancements in this field is anticipated to augment the diuretics segment.

Apart from this, calcium channel blockers are poised to set the fastest growing segment in the forecast period CY 2022-2028. This is increasing the global demand owing to lesser side effects of these medicinal products compared with other antihypertensive drugs. In addition, the benefits offered such as positive effects on overall health and reductions in the progression of kidney diseases.

Exhibit 3.12: Global Anti-Hypertensive Drugs Market (USD Bn), CY2017 - 2028F



Source: Frost & Sullivan Primary Research & Analysis

Drivers and Restraints

The factor that contributes highly toward the growth of antihypertensive drugs market is the surge in incidence of hypertension across the globe. Furthermore, rise in awareness related to complications associated with hypertension is a major factor that fuels the growth of the market. Moreover, an increase in geriatric population and sedentary lifestyle boosts the growth of the market.

A sedentary lifestyle is another major driver for the growth of the anti-hypertensive drugs market. Consumption of junk food, lack of proper healthy and balanced diet, lack of proper sleep due to irregular work shifts have contributed to the increase in hypertension. Hypertension is the underlying factor for at least 45% of deaths due to heart disease and 51% of deaths due to stroke. Once the patient is diagnosed of hypertension, patients are required to use the drugs to control hypertension based on the severity of the condition. This creates a sustainable demand for the product and acts as a prominent driver for the growth of the market.

However, recent patent expirations are anticipated to hinder the growth of the antihypertensive market. Conversely, rise in research related to antihypertensive drugs is expected to offer lucrative opportunities during the forecast period. Low awareness of the antihypertensive drugs amongst the population is one of the major restraints in the anti-hypertensive drugs market. Firstly, most of the people in developing nations neglect their health-checkups and are not aware about the existing hypertension condition in them until they detect extreme symptoms. Secondly, persons diagnosed with hypertension do not adhere to their medication schedule and stop taking medication after 1-2 weeks until symptoms return, thereby posing a huge challenge to the anti-hypertensive drugs market.

Of late, there has been a rise in the use of combination therapies compared to a mono-therapy treatment. Monotherapy is the treatment of a hypertension with a single drug, while the use of combinations of drugs (Combination Therapy) allows for action on several different hypertensive mechanisms. When we combine the two drugs with different mechanisms of action, the effect is two to five times greater than monotherapy. Increasing the dose of monotherapy reduces coronary events by 29% and cerebrovascular events by 40%, while combining two antihypertensive agents with a different mechanism of action reduces coronary events by 40% and cerebrovascular events by 54%. Thus, the use of combination therapy provides greater protection to a target organ than increasing the dose of monotherapy. The trend of using combination therapy is thus more effective and is being widely accepted as well.

The US Food and Drug Administration (FDA) issued guidance on developing fixed-combination drugs to treat hypertension. This primarily focuses on the clinical development of two-drug combinations of previously approved products. US FDA expects to see a reduction in adverse effects for combinations that include doses below each drugs' maximum dose compared to single drug regimens at their maximum dose. Earlier physicians typically started a patient on a single drug and titrated up to a maximum dose before adding additional drugs to their programme, current guidelines recommend starting patients on two drugs at less than their full doses. Hence, this guidance would keep a check on the fixed-combination drugs.

Key Players

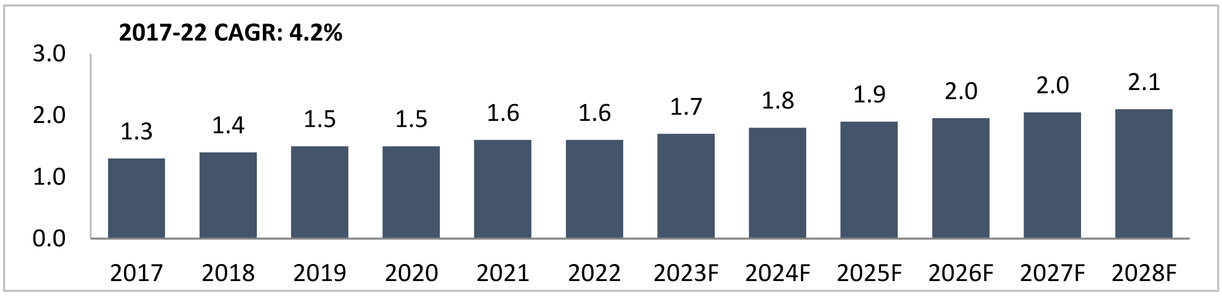
Major players in the anti-hypertensive drugs market are Merck & Co, Astra Zeneca, Daiichi Sankyo Company, Johnson & Johnson, Pfizer, Novartis, Sanofi, United Therapeutics, Ranbaxy Laboratories, Bayer, Lupin, Boehringer Engelheim, Ranbaxy Laboratories, Takeda, Actelion, JW Pharmaceutical, Gilead, CJ Healthcare, Boryung Pharmaceutical, and Cipla among others.

Split by Geography

North America has remained the largest market with share of ~35% (CY 2022) owing to the high prevalence of hypertension related to renal and cardiovascular disorders in this region. Running drives by non-government and government organizations for spreading awareness among people are mostly bottling revenue generation opportunities in North America. As per the American Heart Association, under the updated guideline, more people will be diagnosed with hypertension, nearly half of American adults (46%), up from 32% under the previous definition in CY 2021. Europe is expected to capture the second position due to the prevalence of cardiovascular diseases, improper diet habits, increasing obesity in children as well as in adults and high prevalence of hypertension that leads to death or disabilities in people. Asia-Pacific region will witness the highest growth in the antihypertensive drugs market owing to the high incidences of cardiovascular diseases, government initiatives taken for healthcare sector and high population pool. In addition, the ever-evolving life science industry is driving market growth in developing economies such as India, China and Malaysia.

3.11. India Anti-Hypertensive Drugs Market Overview

Exhibit 3.13 India Anti-Hypertensive Drugs Market (USD Bn), CY2017 - 2028F



Source: Frost & Sullivan Primary Research & Analysis

Hypertension is an important public health problem in India and leads annually to over 1.5 Mn deaths. Several guidelines published have re-focussed international attention on hypertension. A crucial focus in all these guidelines is both the achievement of optimum blood pressure (BP) as well as overall reduction in cardiovascular (CV) risk. These can be achieved by combination of a range of interventions:

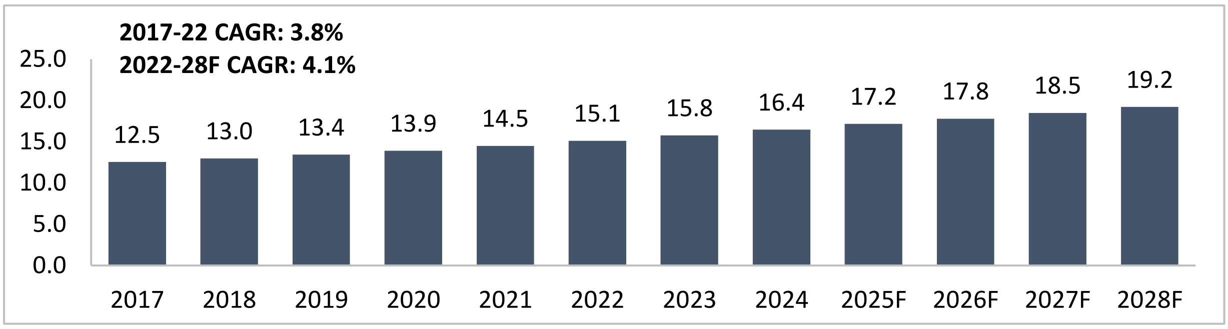
- Lifestyle changes (increased physical activity, increased consumption of fruits and vegetables, sodium restriction, weight management, alcohol abstinence and smoking/tobacco cessation).
- Drugs to lower BP (calcium channel blockers-CCBs, diuretics, angiotensin converting enzyme inhibitors-ACEI, angiotensin receptor blockers-ARBs, beta-blockers, etc.) and to lower lipids using statins.

3.12. Global Antipsychotic Drugs Market

Psychosis is a disorder where the person may face serious distortion of behavior, thought, perception and recognition of reality. The patients may experience hallucinations and delusions along with having wrong evaluation and misperception of other people, facts or situations. Psychosis is not a condition but rather gets triggered due to other conditions such as stress, traumatic experiences or physical conditions namely brain tumor, Parkinson's disease or due to alcohol or drug misuse. The Global Antipsychotic Drugs Market was valued at USD 15.1 Bn in CY 2022 and is expected to grow at 4.1% over the forecast period till CY 2028.

Due of lack of insight, the person is unaware that he/she is acting and thinking strangely. Antipsychotic drugs also known as neuroleptics or major tranquilizers are used primarily for treating psychosis. Such drugs help in blocking the dopamine receptors in the brain's dopaminergic pathways, thus repressing the dopamine's effect that is linked directly to psychotic experiences. These drugs are used to treat common psychotic disorders including bipolar disorder, delusions, hallucinations, schizophrenia and others.

Exhibit 5.14: Global Antipsychotic Drugs Market, Industry size (USD Bn), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

Global estimates suggest that over 1.25% of the global population suffers from psychosis and related disorders. This translates into a potential market of over 7.5 mn people as target consumers for antipsychotic drugs. Although the potential consumer base for the market is relatively much smaller than that for diseases such as cancer and diabetes, the high costs of antipsychotic drugs make the market one with promising returns. The market holds immense growth promise for future years as the patient pool of psychotic conditions rises at an alarming rate across the globe. The introduction of newer antipsychotic compounds and the vast funds poured in for research and development activities are also expected to have a significant positive impact on the overall development of the market in the near future.

Rising in number of people suffering from psychosis and associated disorders will result in substantial market growth in the upcoming years. Continuous investment in research and development activities with respect to mental health will augment the industry growth in the near future. Rise in need and demand for more effective and target oriented treatment to make progress in treating mental disorder treatment will generate immense opportunities for the growth of antipsychotic drugs market.

Global Antipsychotic Drugs Market – By Drug Class

The antipsychotics are segmented into three classes: first generation, second generation, and third generation. First generation antipsychotic drugs are expected to witness lucrative growth in the forecast timeframe. These drugs are mainly used for the treatment of schizophrenia and other related psychotic disorders. Since the first-generation antipsychotic drugs are less expensive than the new generation drugs, they remain as a very valuable option in the treatment of mental disorders. Hence, the aforementioned factors will enhance the demand and adoption rate, boosting the segment growth in the near future.

The second generation holds the largest share in the market. This class named as atypical antipsychotics includes clozapine, risperidone, sertindole, asenapne, olanzapine, paliperidone, quetiapine. These are used for treatment of schizophrenia and have quickly begun replacing the older, first-generation antipsychotics.

The third generation, aripiprazole (Abilify) is indicated for the treatment of schizophrenia and is also used as maintenance therapy for this disease. The clinical advantages of safety and tolerability of aripiprazole contribute to the segment's growth. Thus, it is expected to be the fastest growing segment in the forecast period.

Key APIs by Drug Class

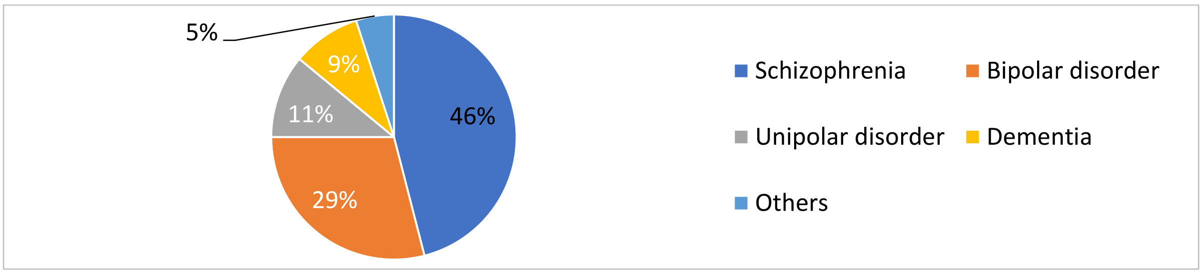
1st Generation Antipsychotics	2nd Generation Antipsychotics	3rd Generation Antipsychotics

Chlorpromazine **Droperidol** **Fluphenazine** **Haloperidol** **Loxapine** **Perphenazine** **Pimozide** **Prochlorperazine** **Thioridazine** **Thiothixene** **Trifluoperazine**	Aripiprazole Asenapine Clozapine Iloperidone Lurasidone Olanzapine Paliperidone Quetiapine Risperidone Ziprasidone	Aripiprazole

Global Antipsychotic Drugs Market – By Product Segment

The global antipsychotic drugs market, based on therapeutic applications, has been segmented into schizophrenia, anxiety, bipolar disorder, depression, dementia, and others. The schizophrenia segment emerged dominant in the global antipsychotic drugs market and has acquired an astonishing 46% of the global Antipsychotic.

Exhibit 5.16: Global Antipsychotic Drugs Market – By Product Segment, CY2022 (in %)



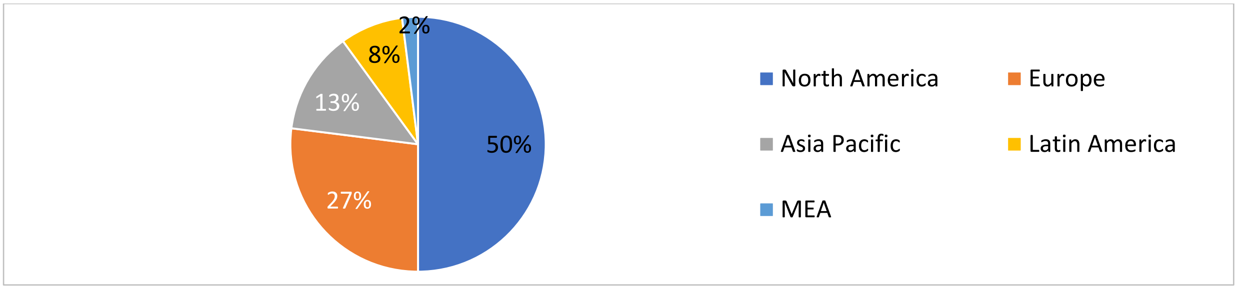
Source: Frost & Sullivan Primary Research & Analysis

Application of antipsychotic drugs in schizophrenia will witness substantial amount of growth over the forecast period. According to National Institute of Mental Health, schizophrenia is considered to be one of the leading causes of mental disability across the world. Co-occurring chronic diseases such as diabetes, cardiovascular and liver diseases contribute to increase in mortality rate among the individuals with schizophrenia. Aforementioned factors will be responsible for the industry growth in the upcoming years.

Global Antipsychotic Drugs Market – By Geography

Geographically, North America had acquired USD 7,550 Mn antipsychotic drugs market revenue in CY 2022. U.S. dominates the North America antipsychotic drugs in CY 2022 and will show similar trend over the forecast period. Asia-Pacific is expected to witness the fastest growth rate during the forecast period. The healthy CAGR is expected due to rising social awareness regarding psychotic disorders and other associated disorders, such as mania, anxiety, and depression.

Exhibit 3.15 Global Antipsychotic Drugs Market – By Geography, CY2022 (in %)



Source: Frost & Sullivan Primary Research & Analysis

According to the National Alliance on Mental Illness (NAMI), around 1 in 5 American adults experience mental lines annually and about 1 in 25 American adults experiment serious mental disorders in a particular year. Presence of enhanced technology, favorable reimbursement policies, proper insurance coverage and high prevalence of people suffering from mental disorders will lead to market expansion in the country.

The growth is attributed to the increasing patient pool suffering from psychotic disorders in the region. Recent studies have stated that antipsychotics are one of the top-selling and most widely prescribed drugs for managing psychotic conditions in the United States. Although earlier prescribed only for such psychotic conditions, a vast variety of antipsychotics are also prescribed as a supplement to antidepressant medications and for routine complaints such as insomnia. Records demonstrate that antipsychotics such as Abilify are outselling other drug varieties and are becoming one of the key and high-profit drug classes of the Pharma industry.

Europe is the second-largest regional antipsychotic drugs market share due to the high density of population and other reasons being the same as in North America. It is expected that Europe would follow the footsteps of North America and would remain in the second position throughout the forecast period. The growth is attributed to a rise in the patient population and increasing incidence of psychotic diseases. The most powerful country-specific markets in Europe are France, Germany, Italy, Spain, and the UK.

In Asia-Pacific, emerging countries, such as India, China, and other Southeast Asian countries have a large patient pool who is suffering from various disorders, especially schizophrenia. China antipsychotic drugs market will experience considerable growth in the near future owing to rise in geriatric population suffering from mental disorders. According to a recent research study, the prevalence of mental illness and disorders was estimated to be quite in the old age people in China. Increasing healthcare expenditure along with growing awareness regarding the provision of healthcare service and innovations in manufacturing of antipsychotic will propel the industry growth in the country.

3.13. Global Antiplatelet Drugs Market

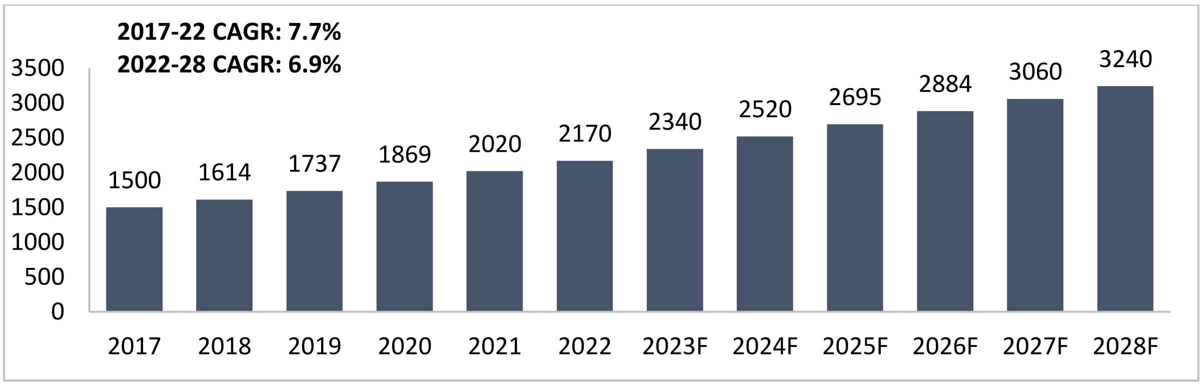
Antiplatelet drugs are often called as platelet agglutination inhibitor is a class of therapeutics that helps in reducing or preventing the blood coagulation by limiting the activity of platelets to stick or bind together. Clotting of blood is physiological action of the body which helps in controlling external bleeding during the time of injuries. But this tendency of blood clotting may not be useful when there are no injuries or cuts. Hence antiplatelet drug agents are therapeutically used to stop clotting when not required. However, limitations in efficacy, safety, and tolerability of some antiplatelet drugs have precluded their use in patients. For instance, antiplatelet drugs can irritate the lining of the stomach that leads to gastrointestinal side effects such as indigestion and stomach aches. Moreover, patients using these drugs can be more prone to nosebleeds, bruising, or bleeding for longer than usual since they reduce the ability of the blood to clot. The global antiplatelet drugs market is being driven by the rising prevalence of thrombotic cardiovascular disease. The increasing cases of cardiac and cancer diseases in the populations is one of the factors which is expected to drive the overall anti-platelet drug market.

The significant growth in a market over a forecast period is also attributed due to hereditary diseases. Changing lifestyles and lack of physical activity is one of the factors which affects the growth of the market moderately. Failure to take antiplatelet drugs as prescribed can possess an increased risk of thrombotic complications, owing to rebound platelet activation.

Sales of anti-thrombotic drugs account for more than 50% of the sales of drugs for cardiovascular diseases. The global market of anti-thrombotic drugs is close to a saturation, with fierce competition.

Historically, Globally, anti-platelet drugs account for ~40% of all anti-thrombotic drugs sales. Clopidogrel (trade name: Plavix) has been the leader of anti-platelet drugs produced by Sanofi/Bristol Myers Squibb Company. However, clopidogrel has its limitations, such as not being able to be metabolized by those patients with CYP2C19 gene mutations leading to change in regulations. After the drug patent of Plavix expired in May 2012, global sales decreased sharply. Since couple of years sales of anti-platelet aggregation drugs has been growing at a decreasing growth rate and now mostly accounts for ~20% of the anti-thrombotic drugs sales and has lost the leading position of anti-thrombotic drugs.

Exhibit 3.16: Global Antiplatelet Drugs Market, Industry size (USD Mn), CY2017-2028F

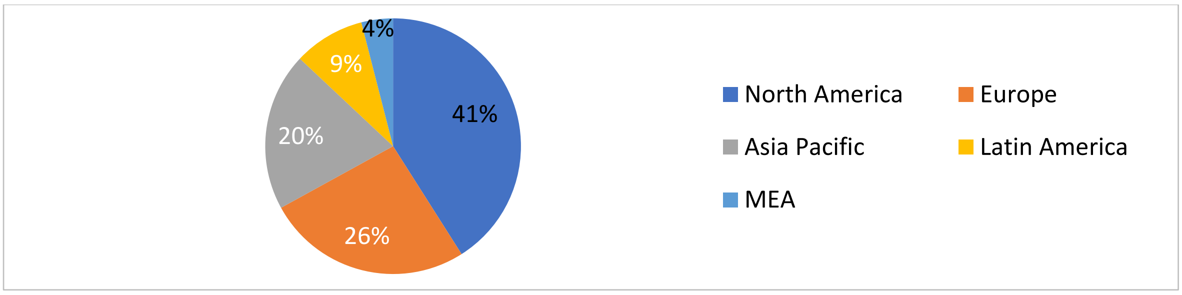


Source: Frost & Sullivan Primary Research & Analysis

The global antiplatelet drugs market on the basis of drug class can be segmented into:

1) Platelet Aggregation Inhibitors – API Clopidogrel falls under this therapeutics and (T2E) Thiophene-2-Ethanol is required to produce the same. Aether Industries is leading manufacturer of T2E.
2) Glycoprotein Platelet Inhibitors
3) Protease-Activated Receptor-1 Antagonists
4) Others

Exhibit 3.17: Global Antiplatelet Drugs Market – By Geography, CY2022 (in %)



Source: Frost & Sullivan Primary Research & Analysis

Due to increased cases of cardiovascular diseases, sedentary lifestyles, the market is expected to witness a healthy growth growing at a CAGR of 6.9%.

3.14. Global Antihistamine Drugs Market

Seasonal allergies, motion sickness, nausea, cold and cough, and anxiety are all treated with antihistamines. They're also used to treat urticaria, a type of skin allergy.

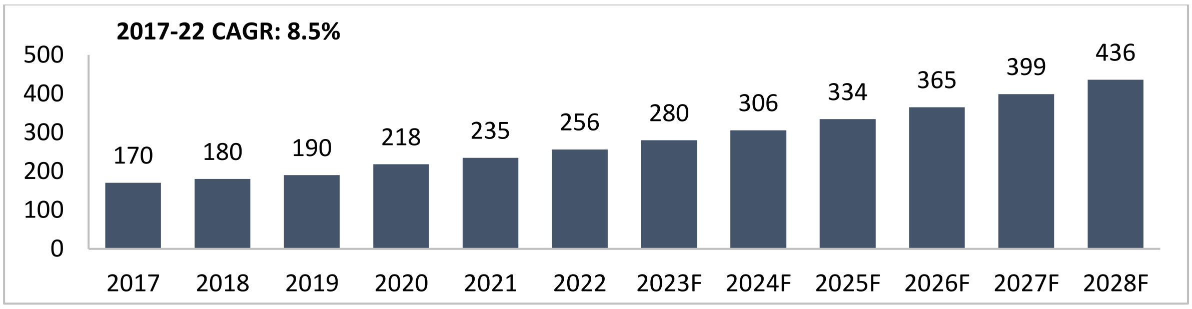
Antihistamines are a class of drugs that inhibit the action of histamine by attacking the specific cell receptors meant for histamines. Histamine is an immune substance released by body's immune system when attacked by allergens or due to intake of histamine-deficient food, some food items also trigger their excessive production which creates immune response. Histamine attaches to specific receptors of body cells which results in symptoms such as running nose, watery eyes, pain, itching, redness, and wheezing. Antihistamines are used to relieve the symptoms of seasonal allergies, motion sickness, nausea, cold and cough, anxiety.

Antihistamines are representative of a class of drugs that inhibit the histamine type 1 (H1) receptors. H1 receptor is present on smooth muscle of bronchi, gastrointestinal tract, uterus, and large blood vessels.

The global antihistamine drugs market is segmented as;

a) [sedating] brompheniramine,
b) [sedating] chlorpheniramine,
c) [sedating] diphenhydramine,
d) [sedating] doxylamine,
e) [sedating] carbinoxamine
f) [sedating] anticholinergic – API Hydroxyzine falls under this therapeutics and 1-[2-(2-Hydroxyethoxy) Ethyl] Piperazine is required to produce the same. Aether Industries is leading manufacturer of 1-[2-(2-Hydroxyethoxy) Ethyl] Piperazine.
g) [non-sedating] fexofenadine,
h) [non-sedating] loratadine, loratadine odt,
i) Others.

Exhibit 3.18: Global Antihistamines Drugs, Industry size (USD Mn), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

The rising prevalence of allergic reactions and allergies across the globe is a major factor driving the market of antihistamine drugs. A large amount of R&D expenditure for the development of allergy treatment, the rising prevalence of food allergies, and huge healthcare investments are expected to drive the antihistamine drugs market growth. Moreover, the growing awareness about perennial allergic rhinitis and the availability of good treatment options in the market is also driving the market growth.

3.15. Global NSAID Drug

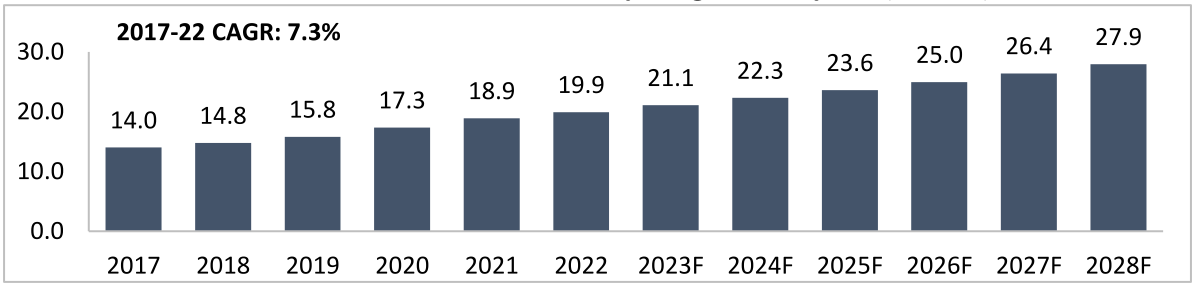
Non-steroidal anti-inflammatory drugs (NSAIDs) is a class of powerful analgesics, distinguished by their non-steroidal chemical structure. These drugs are frequently prescribed to reduce pain caused due to inflammation. These are considered the first line of treatment in pain management due to three basic properties: analgesic, antipyretic, and anti-inflammatory.

Non-steroidal anti-inflammatory drugs are categorized into various groups:

a. salicylates (diflunisal, salsalate, and acetylsalicylic acid),
b. acetic acid derivatives (diclofenac, ketorolac, indomethacin, and etodolac),
c. selective COX-2 inhibitors (celecoxib),
d. proprionic acid derivatives (ibuprofen, naproxen, ketoprofen, and fenoprofen), - API Dexketoprofen and Naproxen fall under this category. The intermediate N-Octyl-D-Glucamine / 1-Deoxy-1-(Octylamino)-D-Glucitol required to produce both these APIs is being manufactured by Aether Industries.
e. fenamic acid derivatives (meclofenamic acid, tolfenamic acid, and mefenamic acid),
f. enolic acid derivatives (oxicam, piroxicam, tenoxicam and lornoxicam).

In terms of region, North America dominates the NSAID drugs market, followed by Europe, due to increase in geriatric population suffering from bone and joint disorders, rising junk food habits & sedentary lifestyle, and increase in incidence and prevalence of bone and joint disorders. Asia Pacific is an emerging market for non-steroidal anti-inflammatory drugs owing to rising health care infrastructure, gradual development of medical infrastructure, growing awareness, and large patient pool. However, lack of proper treatment and low patient awareness are factors restraining the non-steroidal anti-inflammatory drugs market in regions such as Middle East & Africa and Latin America.

Exhibit 3.19: Global Non-Steroidal Anti-Inflammatory Drugs, Industry size (USD Bn), CY2017-2028F



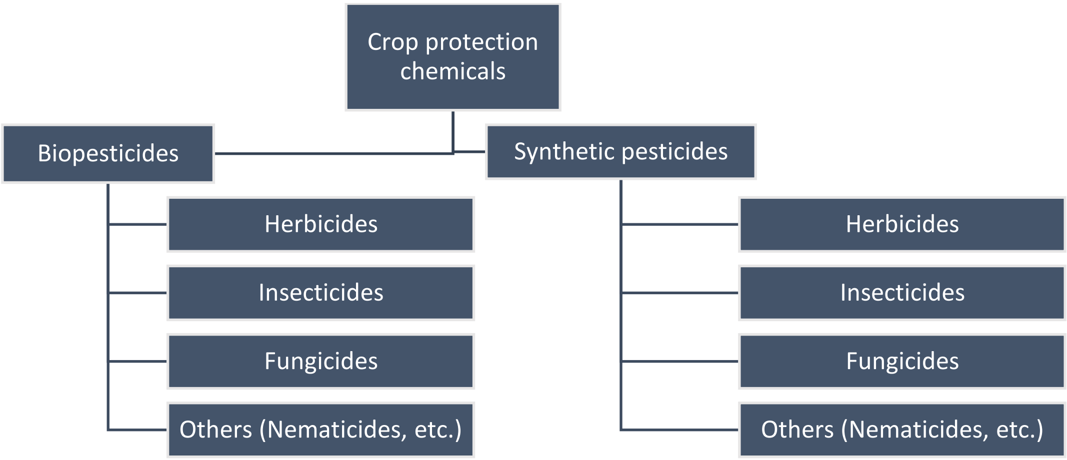
Source: Frost & Sullivan Primary Research & Analysis

The rising incidence of chronic pain is expected to boost the market growth of NSAIDs during the forecast period. Moreover, the increasing prevalence of arthritis and other pain-related disorders is also expected to support market growth over the forecast period. The geriatric population is more susceptible to diseases such as CVDs, cancer, diabetes, chronic pain, arthritis, and others. Thus, the rising geriatric population across the globe is expected to support market growth. However, entry of new innovative therapeutic analgesics, stringent government regulations, and side effect associated with NSAID restrain the market.

Section 4: Agrochemicals Industry Overview

4.1. India Agrochemicals Market Overview

Crop protection chemicals are segmented based on product types like insecticides, herbicides, fungicides, etc. or depending on the biodegradability index associated with the chemicals.

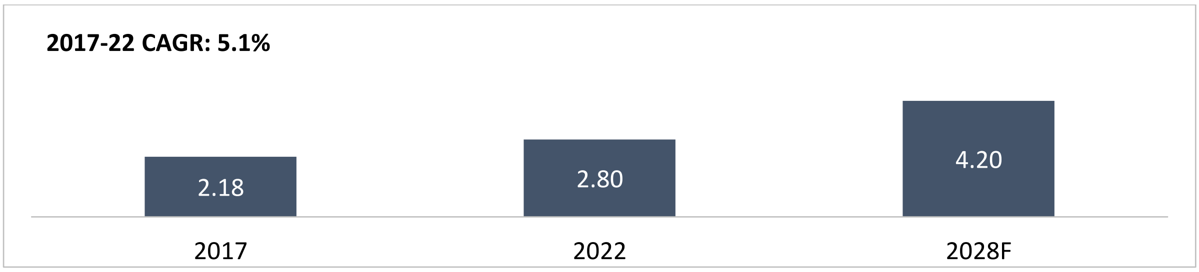


Globally, synthetic pesticides are consumed widely compared to bio-pesticides which are under developmental phase.

India was the fourth largest agrochemical producer in the world as of 2021 as per report from the Indian agricultural ministry. Looking at the potential of this sector, the government has included the agrochemical sector among the 12 champion sectors where India can play an important role in the global supply chain.

India is one of the most prominent exporters of agrochemicals in the world, exporting to major end user countries of – USA, Japan, China and Brazil. The most prominent agrochemicals exported include mancozeb, 2,4D, acephate, chlorpyrifos, cypermethrin and profenos. For the FY 2022-23, agrochemicals export from India reached a new peak of USD 5.4 bn.

Exhibit 4.1: Indian crop protection chemicals domestic market (in USD Bn)



Source: Frost & Sullivan Primary Research & Analysis

India per capita arable land is decreasing in order to accommodate housing needs for growing population. Although arable land availability is huge compared to some smaller countries like Israel, there have been low crop yield trends seen in India due to low level of mechanisation, erratic climate conditions, huge dependence on monsoon, poor logistics infrastructure, poor post-harvest support, etc.

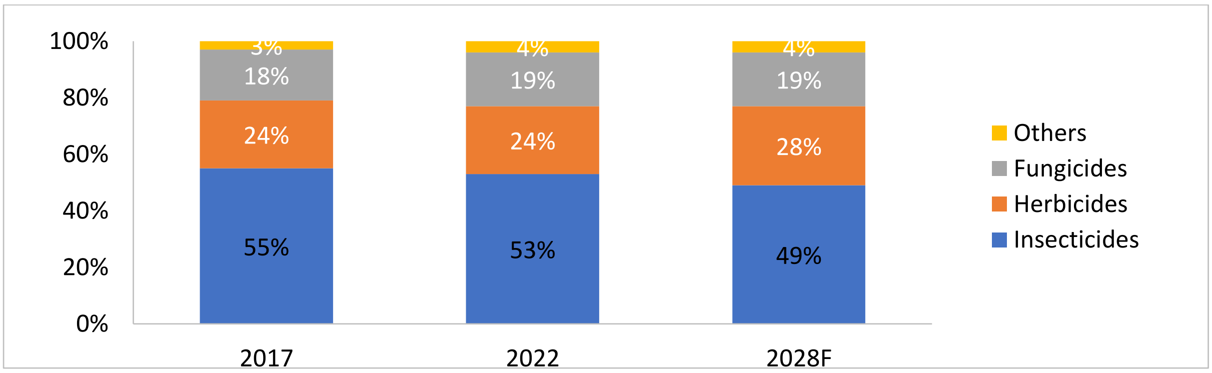
Indian crop protection chemicals market is valued at USD 2.8 billion in CY 2022 which is anticipated to grow at 7.0% in the next 6 years to USD 4.2 billion by CY 2028. The per capita consumption has remained low at ~ 0.6kg/hectare and have higher scope for improvement.

Indian crop protection chemicals value chain includes intermediate suppliers, pesticide technical materials producers and formulators. Many players have been vertically integrated in the value chain, in order to take advantage of reaching to the customers by aggressive sales and marketing. Few players are backward integrated as well, taking advantage of raw material prices in the market. Some of the distributors like Sharda Cropchem, etc. are exclusively involved in sales and marketing function, taking the advantage of contract manufacturing in the India.

Indian crop protection chemicals market segmentation – by product type

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

Exhibit 4.2: India crop protection market by product type (domestic), CY2017-28F



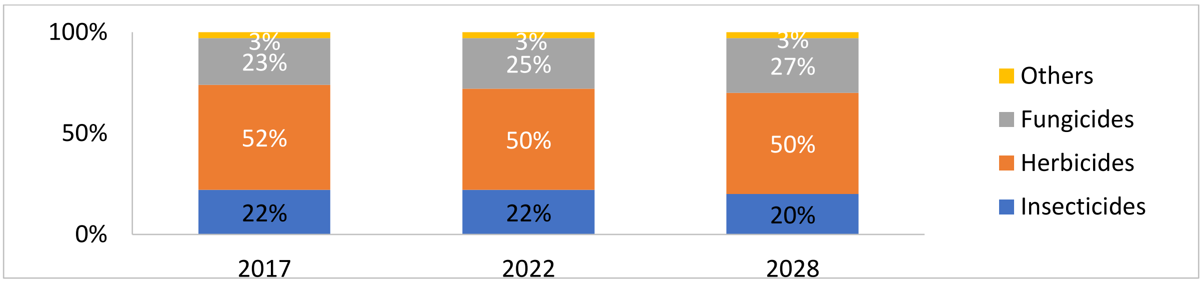
- *Source: FICCI, Industry research*

CAGR	Insecticides	Herbicides	Fungicides
CY 2017-22	4.4%	5.1%	6.3%
CY 2022-28F	5.6%	9.8%	7.0%

Crop protection chemicals like bio-pesticides, plant growth regulators, etc. will account for a larger market share in the India crop protection chemicals market by CY 2028, since bio-pesticides are anticipated to grow at higher CAGR during CY 2022-28.

Bio-pesticides are expected to record a double-digit growth occupying more than 10% market share. India will see increased usage of herbicides over coming decade due to extreme farm labour shortage in the country. Herbicides will be compensating as cost effective measure to the farm labours in India, recording decent growth rate till 2030. Bio-herbicides will also be gaining traction over the forecast period. Their share in exports is significant as well.

Exhibit 4.3: India crop protection market by product type (exports), CY2017-28F

- 

- *Source: FICCI, Industry research*

CAGR	Insecticides	Herbicides	Fungicides
CY 2017-22	9.9%	9.0%	11.7%
CY 2022-28F	8.0%	9.8%	11.2%

Demand drivers for technical market

1) **Products going off patent**

There are around 22 pesticide active ingredients which are going off patent between CY 2022 and CY 2030. It is expected that the market size of these products will cross over $ 4.1 billion by 2028. In India, these generic products will provide enormous potential for generic manufacturers and also for formulators.

2) **Incentive program by GOI for manufacturing of actives**

Recent border issues with China have triggered the self-reliant India initiative, reducing the sourcing dependence on China by the Indian agrochemical industry. Similar incentive schemes were also launched by ministry of pharmaceuticals, GOI for the domestic production of key starting materials for bulk drugs used in pharmaceutical industry. These incentive programs will be boosting domestic manufacturing of agrochemical technical in the country.

3) **Increase in export led demand**

Increase in CSM/CRAMS activities in the country has fuelled the increase in domestic manufacturing of pesticide technical materials. Players from developed countries are looking to collaborate with Indian players for manufacturing of active ingredient and/or formulations, leveraging cost effective manufacturing supported by cheaper labour force and stronger R&D capabilities.

For example, in March 2021, UPL Ltd. entered into long-term strategic collaboration with FMC Corporation (American chemical manufacturing company). The agreement provides UPL access in key markets to commercialize Rynaxypyr active, FMC's leading insecticide. As per the agreement, UPL will toll manufacture and supply Rynaxypyr to FMC in India, and FMC will supply the active ingredient to UPL depending on the markets. The deal adds a key portfolio of products to UPL's business and supports FMC in maximizing the penetration of this important active ingredient. Such collaborations drive the growth for Indian Agrochemicals market.

4) **Shift to Asset Light Model**

Asset-heavy, vertically integrated models offer superior control, but they tie up significant capital and frequently prove less flexible in a fast-changing environment. By contrast, asset-light business models confer greater flexibility. Owing to this many formulators both globally and domestically are focusing on asset light model, which has less capex and helps to focus on building their brands - thereby increasing the demand for sales of technical.

5) **Contract manufacturing boost**

Contract manufacturing and export opportunities for off-patent molecules are areas of major boost expected as about 26 technicals are about to go off patent in CY 2022. The production of these molecules are expected to come to India considering various advantages listed above that India has to lead the contract manufacturing space.

Demand drivers for formulation market

Need for increase in crop yield, crop mix

The Indian pesticides market has a capacity in excess of the demand. Further, high seasonal dependence means that there is unused capacity in the lean demand periods. Consequently, all major players are looking at export markets to increase capacity utilization and survive in this competitive industry. India is the largest producer of generic pesticides and is utilizing its position as a low-cost producer to increase exports.

In India only around 20-25% of the cultivated area is treated with pesticides, also the per capita consumption is around 600gm/ hectare as against that of 3000g/ hectare in developed countries; hence there is a lot of scope to increased consumption.

Indian agriculture has the daunting task of feeding and clothing 18% of the world's population on less than 2 per cent of the total landmass. With already maximum gross cultivated area, the scope for bringing new areas under cultivation is severely limited. Thus, the growth will have to come from increased productivity. Under the same existing acreage higher yielding varieties of crops are being produced using new variety seeds. This will require more pesticide per hectare than that being used earlier; also, farmers will have to compulsorily improve productivity by improving yield per hectare to meet the growing population needs. This will require more and appropriate usage of pesticides.

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

Other drivers for formulation market

- There is a significant increase in the global food demand on account of growing population. The Global Agricultural Productivity Index suggests that the growth is not accelerating fast enough to sustainably meet the food requirements in CY 2050. Accordingly, available agrarian land would have to double its output to meet the demand in CY 2050. There is an urgent requirement to increasing crop yields and requires higher investments in improving R&D capabilities in crop protection. This requirement to improve crop yields would also lead to increased usage of crop protection chemicals. The global crop protection market is expected to grow at a CAGR of 6.6% from CY 2022 to CY 2028 and reach US$ 110 billion.

- With favourable initiatives by the Government of India, including new legislations on farms and schemes such as Fasal Bima Yojna and Kisan Credit Card that benefit farmers, it is expected that spending on crop protection chemicals is likely to grow.
- Promotion of higher margin businesses such as horticulture and floriculture is likely to ensure that farmers are more prone to use crop protection measures. Efforts are being made to ensure continuous power supply and water at farms. A national agriculture market is proposed that will enable e-commerce of agricultural products that will in turn improve the prospect of crop-production and crop protection products.

Increase in horticulture & floriculture production

Fruits & vegetables contribute almost 90% of the total horticulture produce in India. Government has been promoting export of horticulture products, which will be boosting farmer's income. In order to avoid horticulture crop losses, crop protection chemicals market will be boosted over coming half decade. Horticulture is a higher margin business and thus will contribute more to the growth of crop protection chemicals. Floriculture is another segment which goes hand in hand with horticulture (in terms of providing growth avenues resulting in increased demand of crop protection chemicals in India).

Increasing shortage of labour

Urban population in India will cross 40% by CY 2030, according to a survey conducted by UN department of population. This percentage will further go up to 50% in India by CY 2050. Increasing urbanization has led to shortage of labour in the rural agriculture sector. This has further led to increase in wages for the labour. Due to this change, herbicidal usage will be boosted in order to improve the soil fertility, as against the traditional usage of labour for herb removal from farms.

Increasing food demand due to increasing population

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

Shrinking agriculture land

Due to improved urbanization, agricultural land is shrinking. Growing urbanization has led to more amount of agricultural land being used to construct more residential and commercial complex. With growing population and growing food requirements coupled with shrinkage in agricultural land demands for improving the crop production per hectare. In order to have improved crop yield in the shrinking agricultural land, crop protection chemicals (herbicides, insecticides, fungicides, etc.) will be used extensively.

Increased usage of bio-pesticides

The current market size of Indian bio-pesticides is less than 4% of the total crop protection market in India. This approximately equals to market size of less than USD 80-90 Mn. The bio-pesticide market will witness double digit growth in India in the next five years (CY 2022-28F). The Bio-pesticides are pesticides with biodegradable content in it which avoids crop losses by means of not affecting the soil fertility. These bio-pesticides are witnessing the increase in the usage due to large scale awareness and promotion funded by the government.

Pros of bio-pesticides –

- Bio-pesticides are degradable naturally or are less harmful to the environment. Hence are more eco-friendly compared to synthetic pesticides.
- Bio-pesticides decompose quickly. They are equally effective as that of synthetic pesticides with no harm to the ecosystem. These bio-pesticides can be a combination of 100% natural ingredients & synthetic ingredients to enhance the effect in the field.

Future prospects –

Bio-pesticides are rapidly growing pesticides due to their eco-friendly nature. The bio-pesticides demand is growing at the rate of 16% y-o-y and is the matter of preference in the developed countries. These bio-pesticides will not completely replace the synthetic pesticides fleet in coming decade; however, its usage will be significant in even developing countries like India. This is due to awareness among the farmers about bio-pesticides which maintains the soil fertility in longer run.

Section 5: Active Pharmaceutical Ingredients Market

5.1. Aether’s Portfolio

Key products manufactured by Aether and their downstream finished products along with its global market sizing and growth rate are described below.

Aether is among the few companies globally focused on the core competencies model of Chemistry and Technology. Aether is among the few Indian specialty chemical company to have successfully launched three separate business models viz. Large-Scale Manufacturing, Contract Research / Exclusive Manufacturing, and CRAMS (Contract Research and Manufacturing Services), in just 5 years into commercial manufacturing. Growing CRAMS business allows the company to interact directly with the top-most echelons of technical and research teams and leadership (chief technology officers, technical directors and technical vice presidents) of the global leading innovator and multi-national companies across the industry spectrum, opening up future contract manufacturing opportunities for Aether. Aether has one of the largest state-of-art pilot plants in the world with 106 numbers of reactors installed, for both batch as well as continuous reaction technology. Total capacity of batch reactor varies from 50 lit to 6000 lit which includes column, condenser, receiver etc. Aether is one of the few companies in the specialty chemicals sector who has deployed continuous reaction technology as a core technology competency at all stages (R&D, Pilot Plant and large-scale manufacturing).

Aether's strategic investments in R&D have been critical to their success and a differentiating factor for Aether to attain leading market position for certain products. Initially, for first three years from inception Aether was focused on R&D, built a sound team of PhD scientists who could achieve initial breakthrough work on the CRAMS business. Peculiarity of Aether has been it had not taken support from any clients for the R&D whereas usually the industry practice is that supplier supports the client in new product development, which showcases the innovation and research strength of Aether.

Usually, chemical companies have single or couple of chemistry competencies for their entire product portfolio, however Aether has eight chemistry competencies used for their wide bouquet of products. Having multi-chemistry competencies enables the company to cater to niche and advanced intermediate requirements of wider end-products & applications. Aether’s 8 x 8 Matrix of chemistry/technology competencies developed in-house, from scratch, caters to various segments of chemical industry.

The core competencies of Aether include (i) Chemistry Competencies - Grignards and Organolithiations, Ethylene Oxide Chemistry, Tandem Grignard /Ethylene Oxide, Isobutylene Chemistry, Hydrogenation – Asymmetric, Hydrogenation, Heterogeneous Catalysis, Exothermic Chemistry, Cross Coupling Chemistry, Olefin Metathesis /Polymerisation (ii) Technology Competencies - Continuous Reaction, Batch Reaction, High Pressure Reaction, Fixed Bed Reaction, Cryogenic Reaction, High Vacuum Distillation, Wiped Film Distillation, Process Automation (iii) Systems - SAP, Multiple Certifications, (DCS) Automation.

Aether is the only manufacturer in India for some critical chemicals, such as – 4MEP, MMBC, T2E, OTBN, NODG, DVL and Bifenthrin Alcohol. The company is also the only manufacturer in India for supplying intermediates that are KSMs to Dolutegravir, Carbamazepine, Oxcarbazepine, Memantine and Ambroxol APIs.

Aether is known to have strong market positioning in complex intermediates where global competition is intense. Most of Aether’s advanced intermediates and speciality chemicals product portfolio was developed for the first time in India and constitute 100% import substitution, thus furthering the “Make in India” or “Atmanirbhar Bharat” campaigns of the Government of India. Aether has emerged as one the biggest competition and threats to the Chinese specialty chemical companies for these products and the Chinese customers are dependent on Aether for supplying these products.

Aether is focused on developing high value products, which has resulted in the average selling price of all its products growing by a CAGR of 7.92% between FY 2016 and FY 2023. The complexity of its products relative to commodity chemicals and regular specialty chemicals is illustrated in the table below.

Parameter	Commodity Chemicals	Regular Speciality Chemicals	Aether Speciality Chemicals
Blended Price	₹200-350 per kg	₹450-750 per kg	~₹ 1,766.25 per kg
Steps in the manufacturing process	1-2	2-3	4-10
Number of stages remaining until active ingredients are produced	n-10 and upwards	n-6 till n-9	n-1 till n-6

(Source: Frost & Sullivan Research)

Aether's manufacturing principles and core competencies in technologies embody the core tenets of sustainable chemistry. Principles of energy saving and conservation, atom economy, and the 4R strategy of reduce / recover / recycle / reuse are inherent in their manufacturing designs and engineering. Aether has innovated the manufacturing process / product recipe for most of their products, thus making them leaders in quite many products they are operative into. Aether is one of the fastest growing Specialty Chemical companies domestically, growing at a CAGR of nearly 43.11% between FY 2017-18 and FY 2022-23. Its revenue for key products has grown much faster than the industry highlighting that it is able to take away market share from its competitors, which are mostly in China.

For the competency of tandem Grignard and ethylene oxide chemistry, Aether has been a pioneer in Indian Specialty Chemicals Market, given that there are currently only four Indian companies in tandem Grignard and six Indian companies in ethylene oxide. Aether is also the largest and only manufacturer in India for this extremely versatile chemistry. Expertise in large range of chemistries allows Aether to support multiple end use industries. All the chemistry and technological competencies have been developed in-house, which is huge strength of Aether's R&D team.

Based on the technical expertise Aether has developed over the years, the company is able to carry out innovative processes at global scale, which is difficult to replicate, and create significant barriers for new entrants.

Aether has strategically curated product portfolio benefitting from both, import substitution as well as

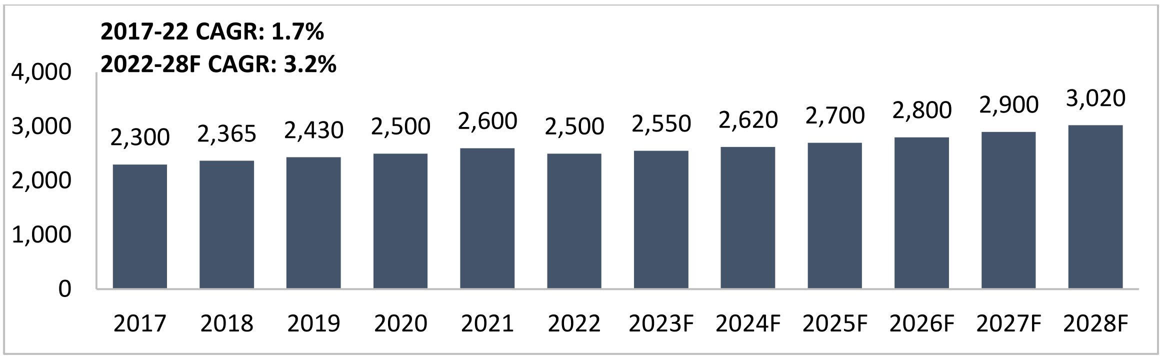
China+1 tailwind hence expected to grow in volume terms and value terms.

5.2. API – Metoprolol

Metoprolol is a beta-blocker that affects the heart and circulation (blood flow through arteries and veins). Metoprolol is used to treat angina (chest pain) and hypertension (high blood pressure). Metoprolol is also used to lower risk of death or needing to be hospitalized for heart failure. Metoprolol injection is used during the early phase of a heart attack to lower the risk of death.

Metoprolol is a selective beta-1 blocker commonly employed as the succinate and tartrate derivatives depending if the formulation is designed to be of immediate release or extended release. The possibility of the generation of these formulations comes from the lower systemic bioavailability of the succinate derivative. To this date, it is one of the preferred beta-blockers in general clinical guidelines and it is widely prescribed in the Netherlands, New Zealand, and the US. Metoprolol was developed since 1969 by US Pharmaceutical Holdings and FDA approved in 1978.

Exhibit 5.1: Global Metoprolol Industry size (MT), CY2017-2028F



Metoprolol prescription in USA increased by 2-3 % every year. Despite competition Metoprolol is among the top 3 prescribed drugs (~ 65-70 million prescriptions) in the USA under beta-blocker even in CY 2023. In the CY 2022, Russia which has about 5-6% of the global market saw a decline in imports and usage of the API and hence the market saw a slight decline of about -3.8%, this however is expected to turn back to positive by CY 2024.

Some key manufacturers in the space are:

Key Manufacturer	Country
Societa Italiana Medicinali Scandicci Sims Srl	Italy
Moehs Catalana	Spain
Teva Pharmaceutical Industries Ltd	India
Moehs Iberica Sl	Spain
Ipca Laboratories Ltd	India
Sun Pharmaceutical Industries Ltd	India
Medichem SA	Spain
Dr Reddys Laboratories Ltd	India
Aurobindo Pharma Ltd	India
Aarti Drugs Ltd	India
Zhejiang Apeloa Jiayuan Pharmaceutical Co Ltd	China
Cadila Healthcare Ltd	India
Ctx Life Sciences Pvt Ltd	India
Zhejiang Hisoar Pharmaceutical Co Ltd	China
Alembic Pharmaceuticals Ltd	India
Yung Zip Chemical Ind Co Ltd	China
Zhejiang Huahai Pharmaceutical Co Ltd	China
Hec Pharm Co Ltd	China
Astrazeneca Pharmaceuticals LP	USA
Zhejiang Yongtai Pharmaceutical Co Ltd	China
Unichem Laboratories Ltd	India
Macleods Pharmaceuticals Ltd	India
Granules India Ltd	India
Hetero Drugs Ltd	India
Msn Life Sciences Private Ltd	India
Indoco Remedies Ltd	India
Kopran Research Laboratories Ltd	India
Granules Pharmaceuticals Inc	USA & India

Intermediate Requirement:

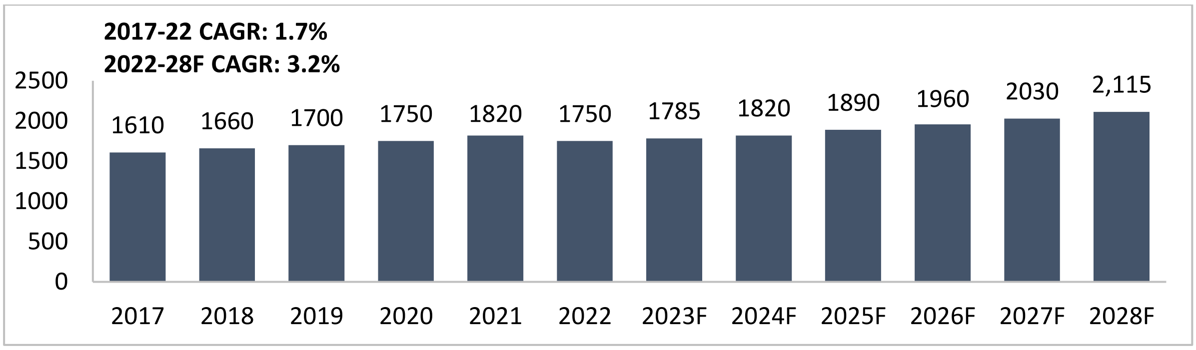
4-(2-Methoxy ethyl) phenol is one of the key intermediates used in production of Metoprolol. Approximately 0.7 MT of 4-(2-Methoxy ethyl) phenol is required to manufacture 1 MT of Metoprolol derivatives.

Intermediate - 4MEP: 4-(2-Methoxyethyl) Phenol

4-(2-Methoxyethyl) Phenol is a chemical reagent which is used in the preparation of methyl analog of Metoprolol. The appearance is in the form of powder and crystals of white colour which is prepared by chemical synthesis of methyl vinyl ether and 4-bromonitrobenzene. 4 (2-Methoxyethyl) Phenol has a good solubility in methanol and forms almost transparent solution.

Product Application: 4-(2-Methoxyethyl) Phenol is used to manufacture Metoprolol - Metoprolol Succinate / Metoprolol Tatrate. There is no other key end application of the intermediate.

Exhibit 5.2: Global 4MEP market size (MT), CY2017-2028F



Aether launched 4-MEP in December 2016 and for year CY 2022 Aether is the biggest manufacturer of this product in the world and the only manufacturer of this product in India with production volume of 845 MT in CY 2022. The company has a market share of 32-35% based on sales volumes for CY 2022. Aether sales have increased from ~308 MT in CY 2017 to 565 MT in CY 2022 registering a growth rate of 12.9% CAGR. Aether's revenue growth in past three years has been much higher as compared to industry growth and going forward the company is expected to showcase high growth. Aether Industries employs Grignard chemistry, ethylene oxide chemistry, and isobutylene chemistry as the core chemistry competencies and continuous reaction technology and fractional distillation technology as the core technology competencies for this product.

In CY 2022 the API market of Metoprolol got impacted due to Russia-Ukraine war and the subsequent impact can be observed even in the intermediate market. The market is expected to normalize by CY 2024.

Globally this product is produced by Otsuka Chemicals of Japan. It forms part of their Pharmaceutical intermediates portfolio which comprises of β-Lactam compounds (antibiotic intermediates), Aromatic-related compounds (pharmaceutical intermediates), among others. The company manufactures around 450-480 MT of 4-MEP annually. However, there has not been any considerable change in export volumes observed from Japan since CY 2020. Other global manufacturers include Apeloa Pharma (Hengdian group) from China from China which annually manufactures around 420-430 MT. Apeloa has witnessed growth in the product demand and they are experiencing market growth of 3%+ which was never the case for them, however post Q2 of CY 2022 a slight reduction (-3-4%) was observed.

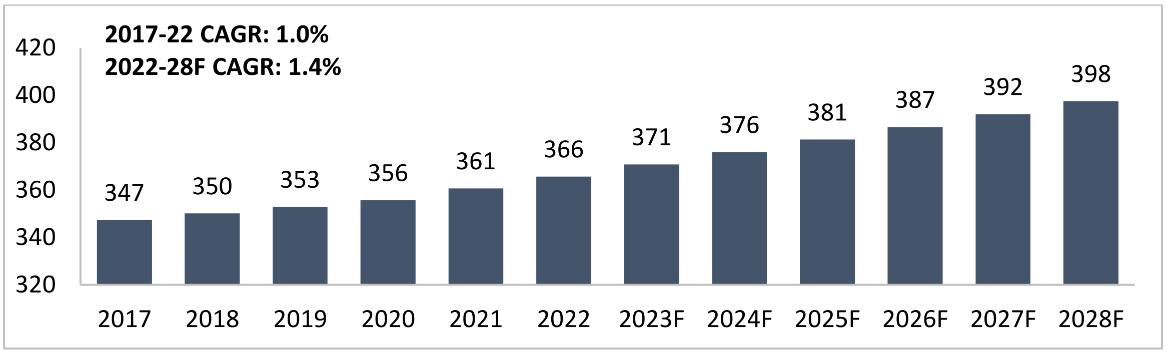
Other Chinese players account for 400-450 MT. One of the companies in others include Ningbo Dingtai Chemical Co., Ltd. There are high entry barriers for this product as the process is very complex and the demand is quite niche hence not many large players enter the market. It is tightly managed by few players and no new entrants are expected. Demand did not increase considerably in CY 2022 and Aether accounted for majority of the new demand owing to which its market share remained unimpacted. For Chinese companies' however Indian counterparts are a major threat as Aether in India is the biggest supplier for 4-MEP and only when India exports reduce China gets to sell more.

Indian clients are majorly serviced by Aether, IPCA Laboratories (50-70 MT/year) had imported 25-30 MT from Zhejiang Hengdian Apeloa Imp & Exp Co., Ltd. of China in CY 2022.

5.3. API – Quetiapine: Antipsychotic Drug

Quetiapine is an antipsychotic used for the treatment of schizophrenia. It may be used as part of a treatment program to treat bipolar disorder and schizophrenia in children and teenagers. Quetiapine is in a class of medications called atypical antipsychotics. It works by changing the activity of certain natural substances in the brain. The global market of Quetiapine market was around 366 MT in CY 2022 growing at a rate of 1.0% annually in past five years. However, going forward, the market is expected to register higher growth rate.

Exhibit 5.3: Global Quetiapine Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

Schizophrenia affects approximately 24 million people or 1 in 300 people (0.32%) worldwide; this rate is 1 in 222 people (0.45%) among adults (World Health Organization Estimates). More than two out of three people with psychosis in the world do not receive specialist mental health care. This translates into a potential market of about 8.0 Mn people as target consumers for antipsychotic drugs. The market holds immense growth promise for future years as the patient pool of psychotic conditions rises at an alarming rate across the globe. The introduction of newer antipsychotic compounds and the vast funds poured in for research and development activities are also expected to have a significant positive impact on the overall development of the market in the near future.

Some key manufacturers in the space are:

Key Companies	Location
Dr Reddys Laboratories Ltd	India
Teva Pharmaceutical Industries Ltd	India
Mylan Laboratories Ltd	India
Fermion Oy	Finland
Aurobindo Pharma Ltd	India
Zhejiang Supor Pharmaceuticals Co Ltd	China
Olon SpA	Italy
Zhejiang Huahai Pharmaceutical Co Ltd	China
Hetero Labs Ltd	India
Divis Laboratories Ltd	India
IPCA Laboratories Ltd	India
Aarti Industries Ltd	India
FIS Fabbrica Italiana Sintetici SpA	Italy
Par Active Technologies Private Ltd	India
Lupin Ltd	India
Torrent Pharmaceuticals Ltd	India
Megafine Pharma P Ltd	India
Unichem Laboratories Ltd	India
Sun Pharmaceutical Industries Ltd	India
Orchid Pharma Ltd	India
Alembic Pharmaceuticals Ltd	India

Macleods Pharmaceuticals Ltd	India
Zhejiang Apeloa Jiayuan Pharmaceutical Co Ltd	China
Hikal Ltd	India
Moehs Iberica Sl	Spain
Jubilant Generics Ltd	India
Piramal Enterprises Ltd	India
Wanbury Ltd	India
Medichem Sa	Spain
Raks Pharma Pvt. Ltd	India
Union Quimico Farmaceutica Sa (Uquifa Sa)	Spain
Zcl Chemicals Ltd	India
Vasudha Pharma Chem Ltd	India
Ind Swift Laboratories Ltd	India

Intermediate Requirement:

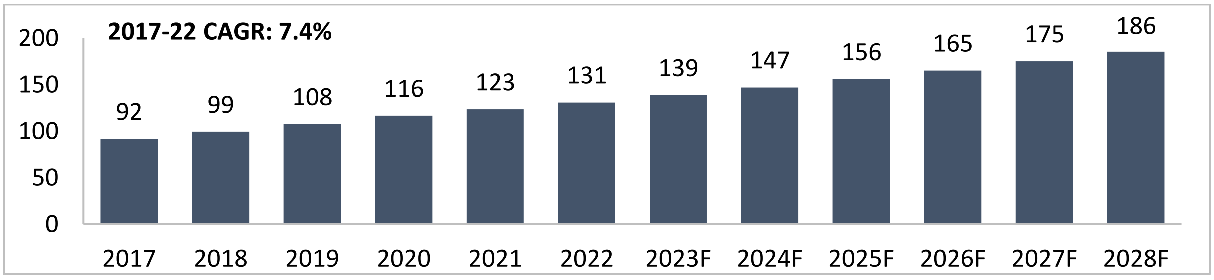
2-(2-piperazin-1-ylethoxy)-ethanol is one of the key intermediates used in production of quetiapine and its salts. In the production process, 6.14 Kg (35.24 molecular weight) of 2-(2-piperazin-1-ylethoxy)-ethanol [CAS: 13349-82-1 synonym to 1-(2-(2-Hydroxy Ethoxy) Ethyl Piperazine] is added to produce 5.7 Kg (12.91 molecular weight, 91.85%) of quetiapine fumarate. This gives a Stoichiometry of nearly 1.08 kg of 1-(2-(2-Hydroxy Ethoxy) Ethyl Piperazine for production of 1 kg of Quetiapine.

5.4. API – Hydroxyzine: Antihistamine Drug

Hydroxyzine is used in adults and children to relieve itching caused by allergic skin reactions. It is also used alone or with other medications in adults and children to relieve anxiety and tension. Hydroxyzine is also used along with other medications in adults and children as a sedative before and after general anaesthesia for surgery. Hydroxyzine is in a class of medications called antihistamines. It works by blocking the action of histamine a substance in the body that causes allergic symptoms. It also works by decreasing activity in the brain.

Hydroxyzine is also used to treat anxiety and tension associated with psychoneuroses, as well as allergic conditions such as pruritus and chronic urticaria. Hydroxyzine is a first-generation histamine H1-receptor antagonist of the diphenylmethane and piperazine classes that exhibits sedative, anxiolytic, and antiemetic properties. It was first developed in 1955 and has since remained a relatively common treatment for allergic conditions such as pruritus, urticaria, dermatoses, and histamine-mediated pruritus. The active metabolite of hydroxyzine, cetirizine, is also available as an active ingredient in allergic medications and is responsible for much of its hydroxyzine's antihistaminic effect. Hydroxyzine is also used for generalized anxiety disorder, tension caused by psychoneurosis, and other conditions with manifestations of anxiety.

Exhibit 5.4: Global Hydroxyzine Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

Prominent Producers are:

Key Companies	Location
Cosma SpA	Italy

Symed Labs Ltd	India
Ipca Laboratories Ltd	India
Calyx Chemicals And Pharmaceuticals Ltd	India
Srikem Laboratories Pvt. Ltd	India

Intermediate Requirement:

1-[2-(2-Hydroxyethoxy)Ethyl]Piperazine is one of the key intermediates used in production of Hydroxyzine. The Stoichiometry is 1 Kg of 1-[2-(2-Hydroxyethoxy)Ethyl]Piperazine for production of 1 kg of Hydroxyzine.

Intermediate: 1-[2-(2-Hydroxyethoxy)Ethyl]Piperazine (HEEP)

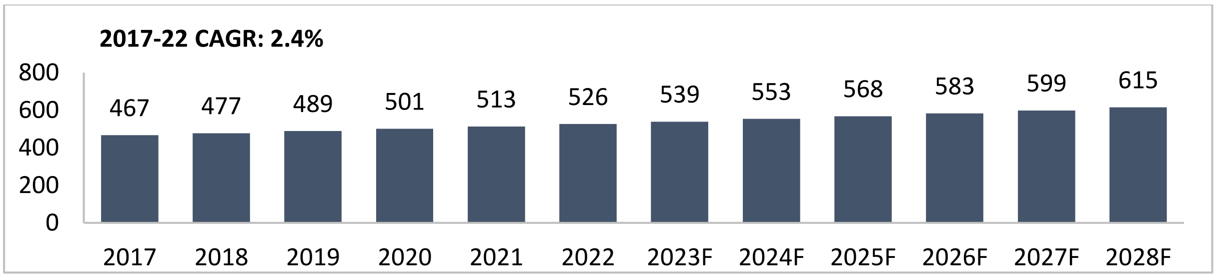
1-[2-(2-Hydroxyethoxy)ethyl]piperazine is used in chemical synthesis for manufacturing API such as Quetiapine and Hydroxyzine. It is one of the key intermediates for manufacturing of Quetiapine drug.

Synonyms:

- 2-[2-(1-Piperazinyl)ethoxy]ethanol
- N-(2-(2-Hydroxyethoxy)ethyl)piperazine

The global 1-[2-(2-Hydroxyethoxy) Ethyl] Piperazine (HEEP) was around 526 MT in CY 2022. HEEP finds application for production of API such as Quetiapine and Hydroxyzine. Both the products combined are expected to drive the demand for HEEP at a CAGR of 2.6% between CY 2022-28

Exhibit 5.5: Global HEEP Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis; HEEP market is arrived at using its consumption of ~1.08kg/kg for Quetiapine and ~1kg/kg for Hydroxyzine

The global market is dominated by Indian companies with three major intermediate manufacturers operating in the market. Aether sales have increased from 76 MT in CY 2018 to 215 MT in CY 2022 registering a growth rate of 30% CAGR. Aether produced ~260 MT of HEEP in CY 2022. Aether's revenue growth from CY 2017 to CY 2022 has been much higher as compared to industry growth. Aether Industries deploys ethylene oxide chemistry as the chemistry core competency and continuous reaction technology as the technology core competency for this product, with in-house continuous dry HCl gas generation plant. Amongst all 3 Indian manufacturers of HEEP, Aether Industries is the only manufacturer that is backward integrated into the manufacture of HEEP's key raw material viz. 2-CEE. Aether is the largest manufacturer of HEEP in India and globally with a market share of nearly 41% in CY 2022 in terms of sales volume. *(Source: Frost and Sullivan Primary Research)*

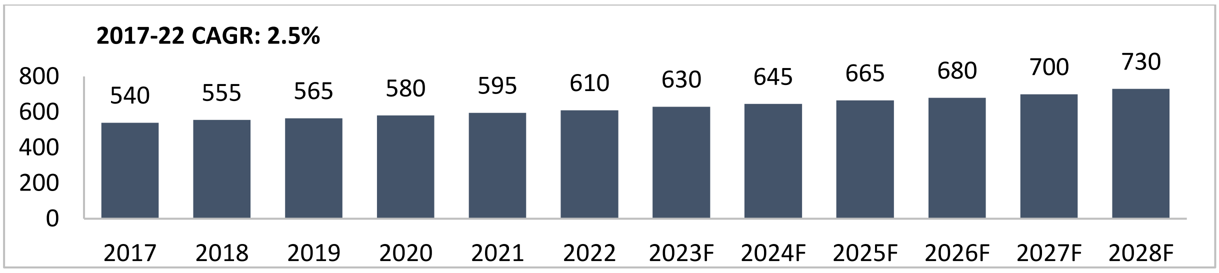
The second largest player – Allchem Lifescience Ltd. has a production of nearly 90-100 MT. The third largest Indian player – Ami Organics clocked sales of nearly 40-45 MT annually. Apart from Indian players there are Chinese players operating in the market with a total production rate of 150 - 180 MT annually. Some of the China companies include Suzhou Jingye Medicine & Chemical Co., Ltd., Zhejiang Supor Pharmaceuticals Co., Ltd., etc.

Intermediate: 2-(2-chloroethoxy) ethanol (2-CEE)

2-CEE is a raw material used for manufacturing of 1-[2-(2-Hydroxyethoxy) Ethyl] Piperazine (HEEP). It is one of the most important components for manufacturing of HEEP. 2-(2-Chloroethoxy) ethanol is used in the synthesis of o-nitrophenylbromoacetaldehyde bis-2-(2-chloroethoxy)-ethyl acetal, in production of HEEP to be used for quetiapine (an antipsychotic drug), Hydroxyzine, 2-(2-azidoethoxy)ethanol, among others. The typical Stoichiometry of conversion of 2-CEE to HEEP is nearly 1.05.

The global market for 2-CEE was around 610 MT in CY 2022 registering a historic growth of around 2.5% between CY 2017-22 and is expected to further grow at around 3.0% between CY 2022-28 to reach nearly 730 MT by CY 2028.

Exhibit 5.6: Global 2-CEE Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis; 2-CEE market is arrived at using its consumption of ~1.05kg/kg for HEEP

The global market is dominated by Indian and Chinese players. Aether launched HEEP and 2-CEE in May 2018 and is the biggest manufacturer of this product in the world in CY 2022. In terms of production volume, Aether is the only manufacturer of 2-CEE product in India. It currently supplies to other HEEP manufacturers in India such as Ami Organics and Allchem. The market leader is Aether industries with production of nearly 275 MT in 2022. Aether's merchant sales have increased from 42 MT in CY 2017 to 166 MT in CY 2022 registering a growth rate of 32% CAGR. Aether's revenue growth from CY 2017 to CY 2022 has been much higher as compared to industry growth. Aether accounts for 27% market share globally on sales basis. Internationally other manufacturers of 2-CEE include Suzhou Jingye Medicine & Chemical Co., Ltd. among others. Chinese players account for the balance of the market.

In India, Symed Labs Ltd. and Teva API India Limited are the major importers of 2-CEE with Teva importing nearly 30 – 40 MT of 2-CEE annually. The average realization of Chinese players is around USD 18-19 per kg.

5.5. API – Clopidogrel: Antiplatelet Drug

Clopidogrel is an antiplatelet medicine. It prevents platelets (a type of blood cell) from sticking together and forming a dangerous blood clot. Taking clopidogrel helps prevent blood clots. Persons who had a heart attack, unstable angina, a stroke or "mini-stroke" (transient ischaemic attack or TIA), peripheral arterial disease, an operation on your heart or blood vessels, such as a coronary stent insertion, are at increased risk of having blood clots.

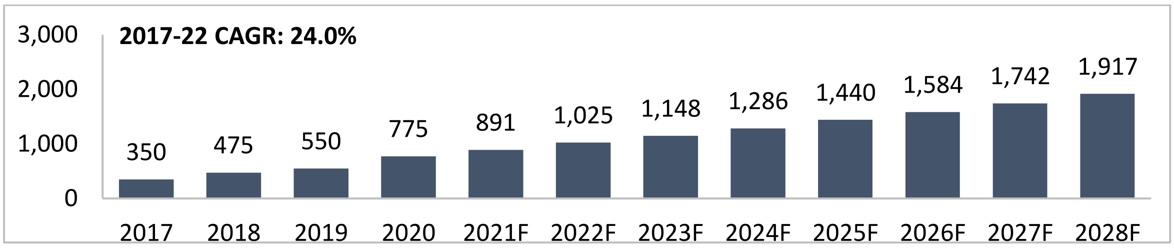
Clopidogrel reduces the stickiness of platelets, and this helps prevent the platelets from sticking to the inside of an artery and forming a thrombus. This reduces the risk of having a heart attack or stroke. It is largely used in treatment and secondary prevention of cardiovascular disease (CVD), including acute coronary syndrome (ACS), transient ischemic attack (TIA) or minor stroke, and peripheral artery disease (PAD). It is mainly used to treat patients with suspected ACS.

There has been an increase in the incidence and prevalence of cardiovascular disease (CVD) in the past few decades, including acute coronary syndrome (ACS), which has become a leading cause of mortality and morbidity worldwide [1–5]. The number of CVD-related deaths has increased by 12.5% during the past decade, accounting for approximately one-third of all deaths globally, mainly because of population growth and aging.

Clopidogrel has remained, ever since its first approval in CY 1997, the antiplatelet therapy of choice among physicians for the treatment of patients with conditions such as acute coronary syndrome or percutaneous coronary intervention. The drug was the first thienopyridine to hit the market, which gave it an excellent head start over several drugs for these conditions that are either available in the market or are in clinical trials. As a result, the drug did not face much competition and has taken over the global market, with its array of application constantly expanding.

The primary factor for the increased demand for clopidogrel is the mounting population across the world who are suffering from cardiovascular diseases and related problems. Additionally, the changing lifestyle and increase in number of patients related with cardiovascular diseases among the emerging economies in the Asia Pacific region are also expected to be the major consumers for clopidogrel in the next six years.

Exhibit 5.7: Global Clopidogrel Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

The global Clopidogrel market was around 1,025 MT in CY 2022 registering a good growth rate of 24% between CY 2017-22. The drug was jointly researched and developed by Bristol-Myers Squibb and Sanofi. Prior to the patent expiration in CY 2012, Plavix was ranked after Lipitor for many years and was the second best-selling drug in the world. After the patent expired, a global wave of generics boomed. Quite many Indian companies developed biosimilar/generics owing to which the market picked up from CY 2015 onwards. In future the market is expected to grow by nearly 11%

Clopidogrel is marketed by Sanofi and Bristol-Myers Squibb under the trade name Plavix. In CY 2010, it was the second-best selling drug with $ 9.4 billion in global sales, but generics are now on the market.

Prominent Producers are:

Key Companies	Location
Sanofi Chimie	France
Signa Sa De Cv	Mexico
Dr Reddys Laboratories Ltd	India
Teva Pharmaceutical Industries Ltd	India
Wockhardt Ltd	India
Aurobindo Pharma Ltd	India
Vitalife Laboratories Div Arch Pharmalabs Ltd.	India
Sun Pharmaceutical Industries Ltd	India
Msn Laboratories Private Ltd	India
Yung Zip Chemical Ind Co Ltd	China
Macleods Pharmaceuticals Ltd	India
Jubilant Generics Ltd	India
Hetero Drugs Ltd	India
Orchid Pharma Ltd	India
Zhejiang Apeloa Jiayuan Pharmaceutical Co Ltd	China
Arch Pharmalabs Ltd	India
Zhejiang Huahai Pharmaceutical Co Ltd	China
Msn Pharmachem Private Ltd	India

Msn Organics Private Ltd	India
Zhejiang Charioteer Pharmaceutical Co Ltd	China
Raks Pharma Pvt. Ltd	India
Vasudha Pharma Chem Ltd	India
Cadila Healthcare Ltd	India
Chemeca Drugs Private Ltd	India
Msn Life Sciences Private Ltd	India
Metrochem Api Private Ltd	India
Innovare Labs Private Ltd	India
Zhejiang Lepu Pharmaceutical Co Ltd	China

Intermediate Requirement:

Thiophene-2-Ethanol is one of the key intermediates for manufacturing of Clopidogrel. In the production process, 115 Kg of Thiophene-2-ethanol is added to produce 180 Kg (12.91 mol, 91.85%) of Clopidogrel. This gives a Stoichiometry of nearly 0.65 kg of Thiophene-2-Ethanol for production of 1 kg of Clopidogrel.

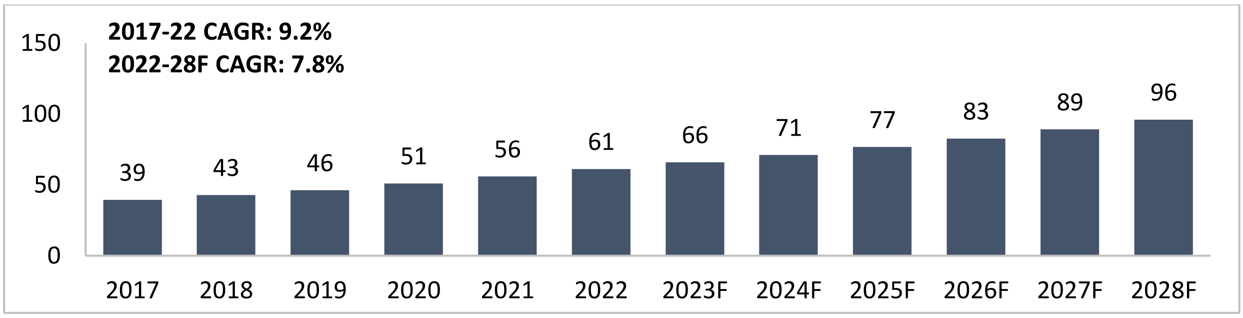
5.6. API – Ticlopidine: Antiplatelet Drug

Ticlopidine is a medicine used to reduce the risk of thrombotic stroke. It is an antiplatelet drug of the thienopyridine family and an adenosine diphosphate receptor inhibitor. Ticlopidine is FDA approved for the prophylaxis of thromboembolic stroke, and subacute stent thrombosis in patients undergoing successful coronary stent implantation. The prominent brand is Ticlid.

It causes a time and dose–dependent inhibition of platelet aggregation and release of platelet factors, as well as prolongation of bleeding time. Ticlopidine interferes with platelet membrane function by inhibiting ADP–induce platelet–fibrinogen binding and subsequent platelet–platelet interactions. The effect of ticlopidine on platelet function is irreversible. Template bleeding time is usually prolonged by 2 to 5–fold of baseline values with the therapeutic dose of ticlopidine hydrochloride. In many cases where patients who showed clopidogrel resistance, ticlopidine treatment is used.

The global Ticlopidine market was around 61 MT in CY 2022 registering a good growth rate of 9.2% between CY 2017-22.

Exhibit 5.8: Global Ticlopidine Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

Ticlopidine was approved for use in the United States in CY 1991, but it is currently rarely used, largely because of the risks of serious side effects including agranulocytosis, thrombotic thrombocytopenic purpura and aplastic anemia and the availability of clopidogrel, which has a similar mechanism of action and efficacy, but a lower rate of adverse events. These reasons have slowed down the growth rate of Ticlopidine market.

Prominent Producers are:

Key Companies	Location

Societa Italiana Medicinali Scandicci Sims Srl	Italy
Teva Pharmaceutical Industries Ltd	India
Erregierre SpA	Italy
Amri Italy Srl	Italy

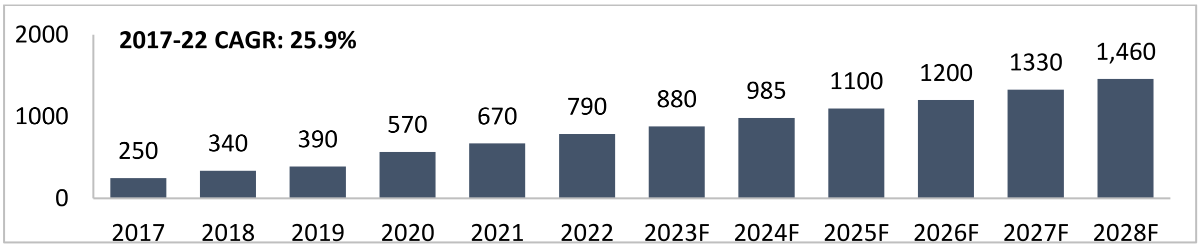
Intermediate Requirement:

Thiophene-2-Ethanol is one of the key intermediates for manufacturing of Ticlopidine and Clopidogrel. As per Stoichiometry nearly 0.65 kg of Thiophene-2-Ethanol for production of 1 kg of Ticlopidine.

Intermediate: Thiophene-2-Ethanol (T2E)

Thiophene-2-Ethanol is one of the key intermediate for manufacture of Clopidogrel and Ticlopidine. The global market of the intermediate was around 790 MT in CY 2022 and is expected to grow at nearly 10.8% between of CY 2022-28

Exhibit 5.9: Global T2E Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis, T2E is arrived at using its consumption of ~0.65kg/kg each for Clopidogrel and Ticlopidine

Aether launched T2E in May 2017 and is the biggest manufacturer of Thiophene-2-Ethanol (T2E) in the world in CY 2022 in terms of production volume and the only manufacturer of this product in India. Aether is the market leader in the Thiophene-2-Ethanol (T2E) market with a production volume of 363 MT and sales of over 411 MT in CY 2022. *(Source: Frost and Sullivan Primary Research)*

The company has experienced sales growth of 42% from CY 2017. The company recorded sales of 72 MT in 2017 which grew to 411 MT in CY 2022. The company holds more than 50% market share globally in CY 2022 on basis of sales, making it the largest producer in the World. The company has deployed Grignard chemistry and ethylene oxide chemistry as the chemistry core competencies and continuous reaction technology and fractional distillation technology as the core technology competencies for this product.

Apart from India, China is the major manufacturer of this intermediate. Zhejiang Liaoyuan Pharmaceutical Co., Ltd. is one of the key manufacturers located in China. It is headquartered in Zhejiang - Linhai Industrial Zone, covering an area of 136,000 square meters with a total investment of RMB 200 million. Liaoyuan focuses on manufacturing APIs and intermediates for anticoagulants, antidepressants and cardiovascular drugs. The leading products include Clopidogrel, Ticlopidine Hydrochloride, Mirtazapine, and etc. Liaoyuan enjoys a good reputation as a manufacturer of thiophene derivatives; it is a well-known manufacturer of thiophene derivatives in the international market.

Another manufacturer included Shandong Xinhua Pharmaceutical I&E Co., Ltd., which shut down its manufacturing plant during 2020-21. The company had a capacity to manufacture ~200 – 250 MT a year. The company did not see much scope in the business and hence decided to exit this particular intermediate. This has resulted in additional business for Aether Industries.

India imports few hundreds of tons of T2E every year majorly imported by IOL Chemicals And Pharmaceuticals Limited, Shree Raj Corporation, Vijeta Life Sciences Pvt. Ltd., Praveen Laboratories Pvt. Ltd., Arene Life Sciences Limited, Aptuit Laurus Pvt. Ltd., Hetero Drugs Limited, Cadchem Laboratories Ltd., Ind-Swift Laboratories Ltd., Chandra Life Sciences Pvt. Ltd, among others.

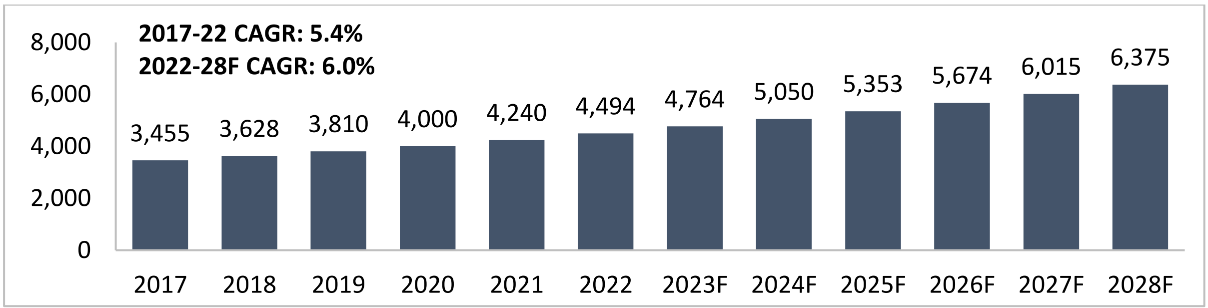
5.7. API – Naproxen: NSAID Drug

Naproxen is a non-steroidal anti-inflammatory drug (NSAID) as an over the counter (OTC) as well as prescription drug. Naproxen is used in low to moderate pain management and a few times used for fever reduction. Naproxen was first marketed by Syntex in CY 1976.

Naproxen belongs to heterogeneous set of compounds known to be non-steroidal anti-inflammatory drug (NSAID), which are used as analgesics, anti-inflammatory, and anti-pyretic.

Few major drivers for growth of naproxen market are its availability as non-prescription drug and well-established profiling of its benefits and risks. Growth of pharmaceutical industries has led to increase in the naproxen market. Also, the increase in geriatric population and in arthritis cases has further boosted the naproxen market.

Exhibit 5.10: Global Naproxen Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

In CY 2023, the prices of Naproxen inclined globally largely during the Q1 of the year owing to high end-user demand and moderate inventory levels. Also, current breakdown of China's zero-Covid policy and the looming mild recession were the main causes of price surge of Naproxen. Moreover, higher energy prices in China also resulted in higher prices for the API.

Earlier the suppliers and traders for Naproxen stated that the Covid-19 outbreak was one of the driving factors that resulted in higher demand for drugs, which was further made worse by long lead times. As January 2023 approached the inquiries from international market surged in China which compelled the manufacturers there to increase their production capacity because of the arrival of Lunar New year which in turn caused in temporary stoppage of manufacturing units and lack of labours.

Besides this, ease in protracted supply chain constrain in Germany and the United States helped the domestic traders to put bulk orders in advance as the domestic inventories started to decrease.

As per experts, the cost of Naproxen is projected to follow an inclined trajectory in upcoming months. However, emerging markets are expected to face healthy disinflation which is likely to support the positive price trend. With the demand side moving positively, market participants would focus on raising their inventory levels among them.

Prominent Producers are:

Key Companies	Location
Dr Reddy’s Laboratories Ltd	India
Teva Pharmaceutical Industries Ltd	India
Corden Pharma Bergamo Spa	India
Zhejiang Charioteer Pharmaceutical Co Ltd	China

Divis Laboratories Ltd	India
Solara Active Pharma Sciences Ltd	India
Almatica Pharma Llc	India
Aurobindo Pharma Ltd	India
Granules India Ltd	India

Intermediate Requirement:

NODG is one of the key intermediates for manufacture of Dexketoprofen and Naproxen. The Stoichiometry is 0.2 kg of NODG for production of 1 kg of Naproxen.

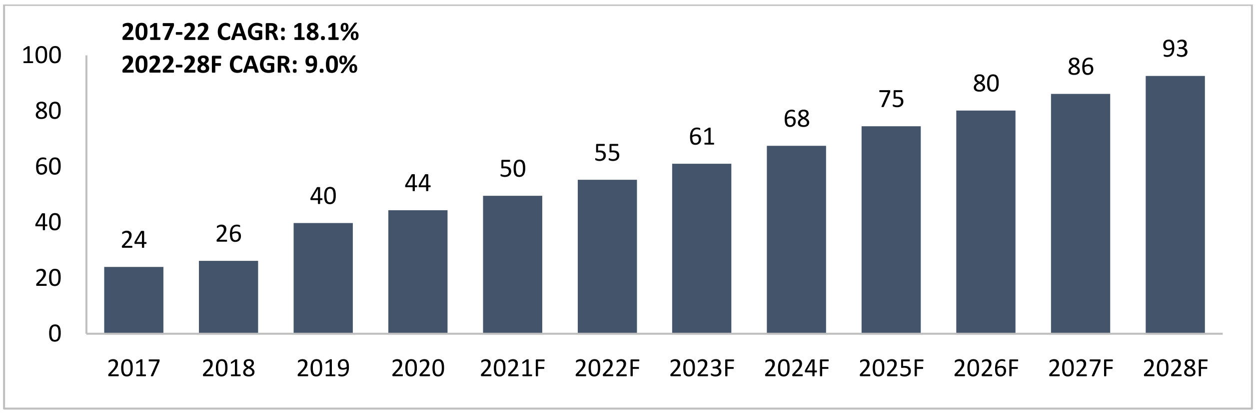
5.8. API – Dexketoprofen: NSAID Drug

Dexketoprofen is an Anti-inflammatory painkiller also called non-steroidal anti-inflammatory drugs (NSAIDs), or sometimes just 'anti-inflammatories'. Dexketoprofen is used to treat short-term painful conditions such as muscular sprains and strains, period (menstrual) pain, and toothache.

Dexketoprofen works by blocking the effect of natural chemicals called cyclo-oxygenase (COX) enzymes. These enzymes help to make other chemicals in the body, called prostaglandins. Some prostaglandins are produced at sites of injury or damage, and cause pain and inflammation. By blocking the effect of COX enzymes, fewer prostaglandins are produced, which means the pain is eased.

With increased population, better access to medical care, the overall market for NSAIDs is expected to grow. Dexketoprofen is one of the key NSAIDs and hence expected to grow over time.

Exhibit 5.11: Global Dexketoprofen Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

Prominent Producers are:

Key Companies	Location
Saurav Chemicals Ltd.	India
Metrochem Api Private Ltd.	India
Enaltec Labs Private Ltd.	India
Emcure Pharmaceuticals Ltd.	India
A. Menarini Asia-Pacific Holdings Pte Ltd	Singapore
Wuxi Hexia Chemical Company	China

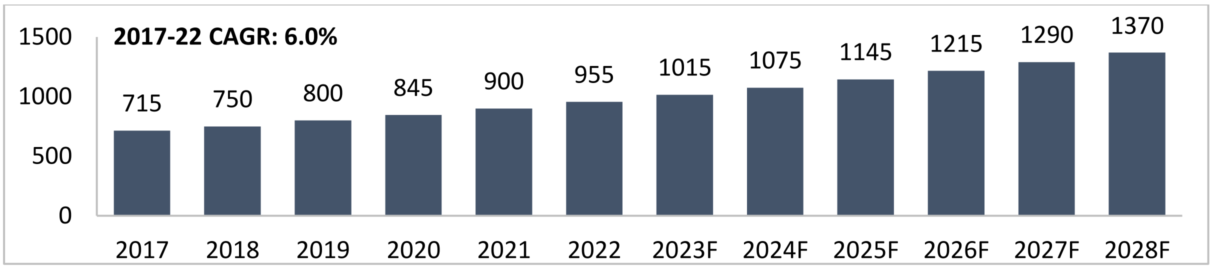
Intermediate Requirement:

NODG is one of the key intermediates for manufacture of Dexketoprofen and Naproxen. The Stoichiometry is 0.99 kg of NODG for production of 1 kg of Dexketoprofen.

Intermediate: N-Octyl-D-Glucamine (NODG) / 1-Deoxy-1-(Octylamino)-D-Glucitol

NODG is a key intermediate for manufacturing of Naproxen & Dexketoprofen. The global market of the intermediate was around 955 MT in CY 2022 and is expected to grow at nearly 6.2% between CY 2022-28.

Exhibit 5.12: Global NODG Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis; NODG market is arrived at using its consumption of ~0.2kg/kg for Naproxen and ~0.99kg/kg for Dexketoprofen

Aether launched NODG in July 2015 and is the biggest manufacturer of NODG in the world in CY 2022 and the only manufacturer of this product in India. Aether manufactured ~247 MT in CY 2022. Aether is the market leader in the NODG market with sales of over 269 MT in CY 2022 with a market share of 28.2% globally on sales basis. *(Source: Frost and Sullivan Primary Research)*

The production capability of the company has increased from ~114 MT produced in CY 2017 to ~269 MT produced in CY 2022 recording a CAGR of 18.7%. The production process includes hydrogenation of n-octylamine with D-glucose to produce N-n-octyl-D-glucamine. The company has superior hydrogenation and high-pressure chemistry core competencies which helps the company to have edge over other companies in this product.

Apart from India, China is the major manufacturer of this intermediate. Some of the Key manufacturers include Suzhou Jingye Medicine & Chemical Co., Ltd., Aeochem, Apeloa Pharma, Suzhou Tianma Specialty Chemicals, among others.

Suzhou Jingye Medicine & Chemical Co., Ltd has a production capacity of 300 – 360 MT annually. Shijiazhuang Yihe-Chem Co., Ltd. Is also expected to have similar capacity. Aeochem is also a major manufacturer, but they have reduced their productions due to power outages and rising power prices which has led to irregular production cycles.

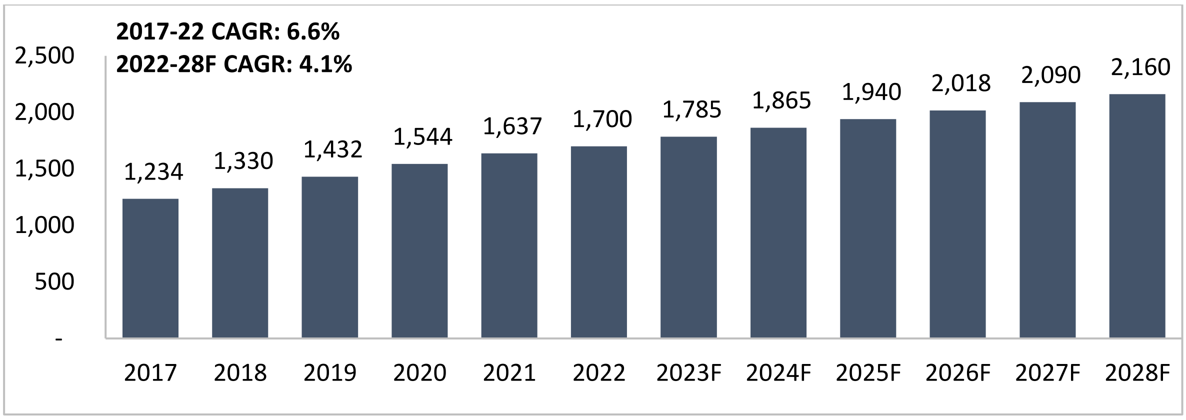
5.9. API – Valsartan: Hypertension Drug

Valsartan is the generic name for N-(1-oxopentyl)-N-[[2'-(1H-tetrazol-5- yl)[1 ,1'-biphenyl]-4-yl]methyl]-L-valine.

Valsartan is used to treat high blood pressure and heart failure. It is also used to improve the chance of living longer after a heart attack. In people with heart failure, it may also lower the chance of having to go to the hospital for heart failure. Valsartan belongs to a class of drugs called angiotensin receptor blockers (ARBs). It works by relaxing blood vessels so that blood can flow more easily. Lowering high blood pressure helps prevent strokes, heart attacks, and kidney problems.

The Global Valsartan Market has been growing at 6.6% with consistent growth over the last few years, however the growth is expected to flatten and on conservative side expected to grow minimum of 4.1% per annum.

Exhibit 5.13: Global Vasartanl Industry size (MT), CY2017-2028F



Prominent Producers are:

Key Companies	Location
Teva Pharmaceutical Industries Ltd	India
Mylan Laboratories Ltd	India
Jubilant Generics Ltd	India
Lupin Ltd	India
Dr Reddy's Laboratories Ltd	India
Signa Sa De Cv	Mexico
Zhejiang Huahai Pharmaceutical Co Ltd	China
Alembic Pharmaceuticals Ltd	India
Novartis Pharmaceuticals Corp	India
Macleods Pharmaceuticals Ltd	India
Aurobindo Pharma Ltd	India
Divis Laboratories Ltd	India
Second Pharma Co Ltd	India
Cadila Pharmaceuticals Ltd	India
Ipca Laboratories Ltd	India
Hetero Labs Ltd	India
Msn Life Sciences Private Ltd	India
Zhejiang Tianyu Pharmaceutical Co Ltd	China
Zhuhai Rundu Pharmaceutical Co Ltd	China
Biocon Ltd	India
Synthon Bv	Netherlands
Sun Pharmaceutical Industries Ltd	India
Harman Finochem Ltd	India
Cadila Healthcare Ltd	India
Biophore India Pharmaceuticals Pvt Ltd	India

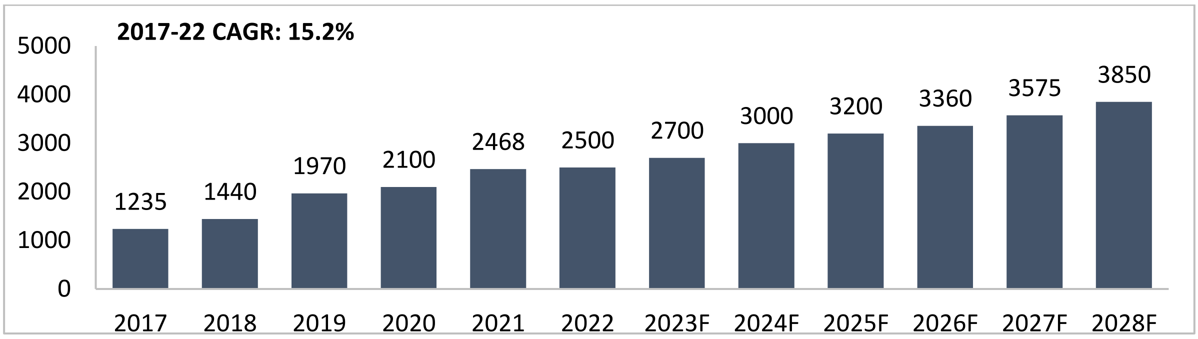
Intermediate Requirement:

O-Tolyl Benzonitrile (4'-methyl-2-cyanobiphenyl) is a key intermediate for manufacturing of Valsartan by certain routes. Around 100 Kg of O-Tolyl Benzonitrile will give a yield of 85.7 Kg of Valsartan. Hence the Stoichiometry of O-Tolyl Benzonitrile to Valsartan is 1.15.

5.10. API – Losartan: Hypertension Drug

Losartan is a medication that is used to treat high blood pressure. Losartan is widely used in slowing down long-term kidney damage due to type II diabetes. With growing prevalence of hypertension, stroke and diabetic nephropathy across the world, the market growth for Losartan through CY 2028 is expected.

Exhibit 5.14: Global Losartan Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

Prominent Producers are:

Key Companies	Location
Teva Pharmaceutical Industries Ltd	India
Ipca Laboratories Ltd	India
Cadila Healthcare Ltd	India
Lupin Ltd	India
Aurobindo Pharma Ltd	India
Hetero Labs Ltd	India
Dr Reddys Laboratories Ltd	India
Jubilant Generics Ltd	India
Calyx Chemicals And Pharmaceuticals Ltd	India
Orchid Pharma Ltd	India
Zhejiang Huahai Pharmaceutical Co Ltd	China
Alembic Pharmaceuticals Ltd	India
Unichem Laboratories Ltd	India
Granules India Ltd	India
Divis Laboratories Ltd	India
Suven Life Sciences Ltd	India
Micro Labs Ltd	India
Zhejiang Tianyu Pharmaceutical Co Ltd	China
Vasudha Pharma Chem Ltd	India
Macleods Pharmaceuticals Ltd	India
Aurore Life Sciences Private Ltd	India
Msn Life Sciences Private Ltd	India

Intermediate Requirement:

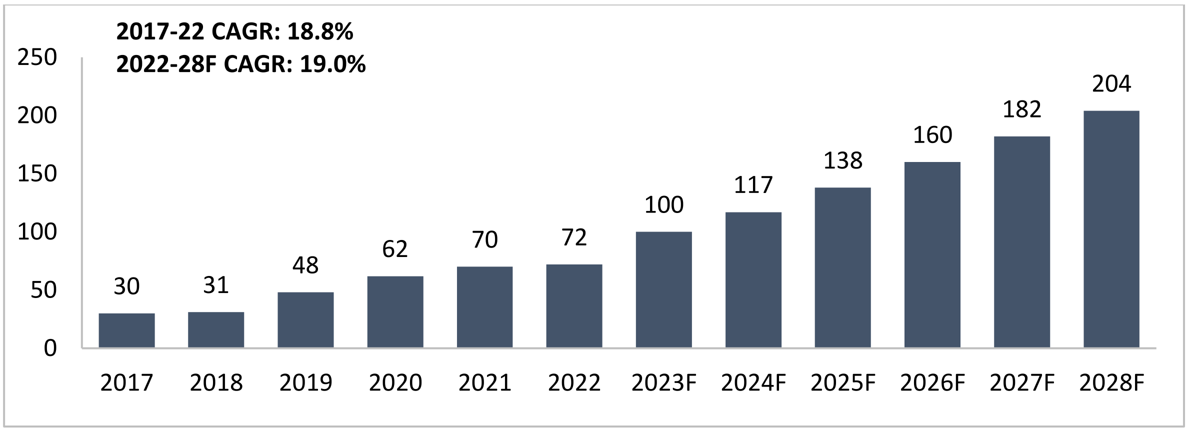
2-cyano-4'-methyl-1,1'-biphenyl (OTBN) is a key intermediate in manufacturing of Losartan where Bromination of OTBN with 1,3-dibromo-5,5-dimethylhydantoin in presence of Dichloromethane (MDC) is done in 1st stage. In the production process, 141.2 Kg of OTBN will give a yield of 120 Kg of Losartan base. The Stoichiometry of O-Tolyl Benzonitrile to Losartan is 1.18

5.11. API – Olmesartan: Hypertension Drug

Olmesartan is a medication used to treat high blood pressure, heart failure, and diabetic kidney disease. Olmesartan was developed by Sankyo and Forest Laboratories, olmesartan medoxomil was approved to the U.S.A. in April 2002 with the trade name "Benicar" and was approved to Europe in October 2002. Olmesartan can take effect very soon with low dosage, and it has strong and lasting antihypertensive effect with few adverse reactions, especially dry cough.

Because of more comfortable, easy standard of living and changing lifestyle, incidence of hypertension is estimated to grow in the coming few years.

Exhibit 5.15: Global Olmesartan Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

Prominent Producers are:

Key Companies	Location
Daiichi Sankyo Co Ltd	Japan
Glenmark Life Sciences Ltd	India
Mylan Laboratories Ltd	India
Teva Pharmaceutical Industries Ltd	India
Cadila Pharmaceuticals Ltd	India
Venkata Narayana Active Ingredients Private Ltd	India
MSN Laboratories Private Ltd	India
Torrent Pharmaceuticals Ltd	India
Cadila Healthcare Ltd	India
Alembic Pharmaceuticals Ltd	India
Ulkar Kimya Sanayii Ve Ticaret As	Turkey
Aurobindo Pharma Ltd	India
Zhejiang Huahai Pharmaceutical Co Ltd	China
Macleods Pharmaceuticals Ltd	India
Jubilant Generics Ltd	India
Hetero Labs Ltd	India
Amoli Organics Pvt. Ltd	India
Micro Labs Ltd	India
Divis Laboratories Ltd	India
Chinoin Pharmaceutical and Chemical Works Private Co Ltd	China
Shandong Anxin Pharmaceutical Co Ltd	India

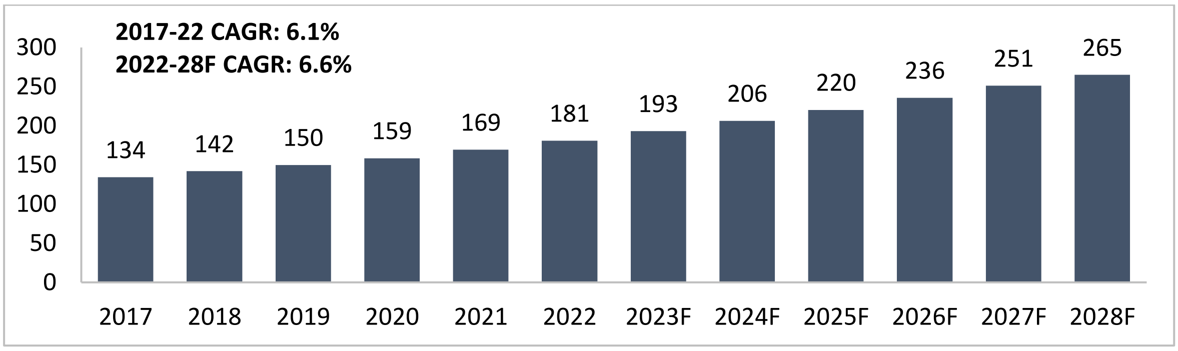
Hec Pharm Co Ltd	India
Zhejiang Tianyu Pharmaceutical Co Ltd	China
Venkata Narayana Active Ingredients Private Ltd	India
Chromo Laboratories India Private Ltd	India
Zhuhai Rundu Pharmaceutical Co Ltd	China

5.12. API – Telmisartan: Hypertension Drug

Telmisartan is an angiotensin receptor blocker (ARB) used alone or in combination with other agents for therapy of hypertension, in cardiac arrest, and in stroke management. Other agents such as hydrochlorothiazide and amlodipine are often used along with Telmisartan.

Increase in prevalence of high blood pressure (hypertension), surge in geriatric population, and rise in government initiatives for spreading awareness about blood pressure diseases are the factors that are expected to drive the growth of the market. The rise in marketing approvals for generic versions of telmisartan, increase in sedentary lifestyle, and surge in incidences of chronic diseases such as diabetes and kidney disease, are expected to drive the growth of the Telmisartan market.

Exhibit 5.16: Global Telmisartan Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

Prominent Producers are:

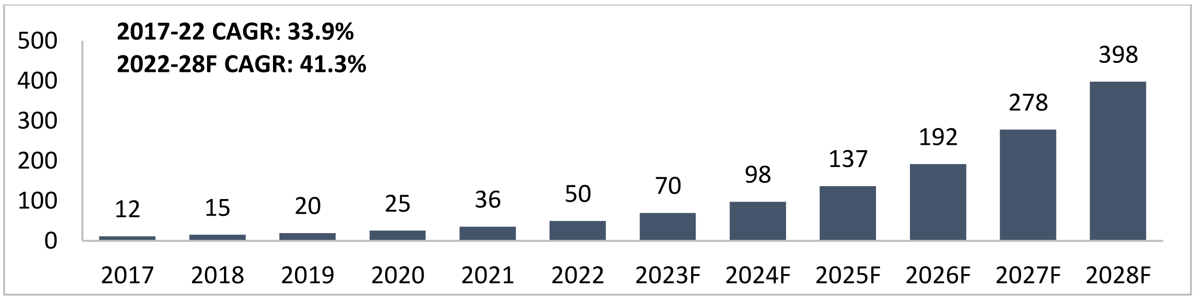
Key Companies	Location
Cipla Ltd	India
Mylan Laboratories Ltd	India
Alembic Pharmaceuticals Ltd	India
Amino Chemicals Ltd	India
Zhejiang Huahai Pharmaceutical Co Ltd	China
Teva Pharmaceutical Industries Ltd	India
Cadila Healthcare Ltd	India
Msn Pharmachem Private Ltd	India
Dr Reddys Laboratories Ltd	India
Zhejiang Apeloa Jiayuan Pharmaceutical Co Ltd	China
Jubilant Generics Ltd	India
Macleods Pharmaceuticals Ltd	India
Torrent Pharmaceuticals Ltd	India
Signa Sa De Cv	Mexico

Aurobindo Pharma Ltd	India
Divis Laboratories Ltd	India
Sharon Bio Medicine Ltd	India
Micro Labs Ltd	India
Glenmark Life Sciences Ltd	India
Ipca Laboratories Ltd	India
Topharman Shandong Co Ltd	India
Uquifa Mexico Sa De Cv	Mexico
Fdc Ltd	India
Unichem Laboratories Ltd	India
Chromo Laboratories India Private Ltd	India

5.13. API – Candesartan: Hypertension Drug

Candesartan is an angiotensin receptor blocker used mainly for the treatment of high blood pressure and congestive heart failure. Candesartan has an additive hypertensive effect when combined with a diuretic, such as chlorthalidone. Angiotensin receptor blockers such as candesartan and valsartan have been demonstrated in randomised controlled trials to reduce heart failure hospitalisations and cardiovascular deaths for chronic heart failure patients.

Exhibit 5.17: Global Candesartan Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis

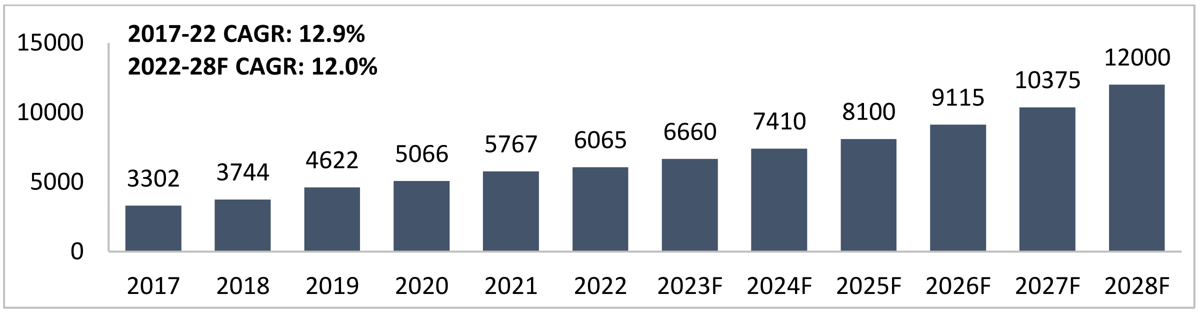
Prominent Producers are:

Key Companies	Location
Cadila Healthcare Ltd	India
Dr Reddy's Laboratories Ltd	India
Mylan Laboratories Ltd	India
Torrent Pharmaceuticals Ltd	India
Macleods Pharmaceuticals Ltd	India
Ulkar Kimya Sanayii Ve Ticaret As	India
Zhejiang Huahai Pharmaceutical Co Ltd	China
Chromo Laboratories India Private Ltd	India
Ulkar Kimya Sanayii Ve Ticaret As	Turkey
Alembic Pharmaceuticals Ltd	India

Intermediate: Ortho Tolyl Benzo Nitrile / 4'-Methyl-2-Cyanobiphynyl

OTBN is a key intermediate for manufacturing of variety of Sartan drugs including Valsartan, Telmisartan, Olmesartan, Losartan, Candisartan. O-tolylbenzonitrile (OTBN) is a common intermediate for the production of hundreds of tons of an entire family of Sartan derivatives as blood pressure lowering agents. Some companies undertake bromination of OTBN to convert into Bromo OTBN and sell forward again for application in Sartan series of drugs. The global market of the intermediate was around 6065 MT in CY 2022 and is expected to grow at nearly 12.0% in the near future of CY 2022-28.

Exhibit 5.18: Global OTBN Industry size (MT), CY2017-2028F



Source: Frost & Sullivan Primary Research & Analysis; OTBN market is arrived at using its consumption of ~1.18 kg/kg for Losartan, ~0.83kg/kg for Telmisartan, ~0.85kg/kg for Irbesartan, ~1.15kg/kg each for Candesartan, Valsartan, Olmesarta, Azilsartan

Aether launched OTBN in December 2018 and is the only manufacturer of this product in India and has production and sales of about 43 MT in CY 2022. The company started production in CY 2018. The production reached 308 MT in CY 2019 and increased by 35.4% to 417 MT in CY 2020, however large scale production of the product was stopped and now is only produced based on 'made-to-order" basis. The company uses OTBN for captive purpose for production of Br-OTBN. The company has deployed Grignard chemistry and coupling chemistry as the core chemistry competencies and continuous reaction technology and fractional distillation technology as the core technology competencies for this product. The company has improved the Grignard reaction and also established a continuous recovery and recycle process for the THF solvent, to increase the yield of production and to improve the overall process economics.

China is the major manufacturer of this intermediate. Some of the Key manufacturers include Tianyu Pharmaceutical Co., Ltd, Yancheng Donggang, Apeloa Pharma, among others. Total production volume of China would be around 4,500 MT (CY2022). There are many manufacturers in China and many manufacturers use OTBN for captive consumption. China was facing quite many issues due to environmental norms. In CY 2019, government of China has implemented some strict safety laws owing to which many small manufacturers shut their production as they could not comply to the new regulations. The supply post this has stabilized and thus are the prices. Europe and India are the major consumption centres for Sartan APIs. Europe earlier was a lower demand region however there were some instances of Sartan impurity issues in India and there were multiple recalls owing to which some production shifted back to Europe.

5.14. Agrochemicals AI – Methoxyfenozide

Methoxyfenozide, introduced by Rohm & Haas in CY 1999 as Intrepid, belongs to the moult accelerating compounds (MAC) class. The MAC products are relatively slow in action, however they possess good residual activity and, since they are active on specific pests such as beet armyworm, they offer potential in mixture use and in IPM programmes. They fall under the segment of Insect Growth Regulators. As of CY 2022 Methoxyfenozide forms about 30-35% of the global Insect growth regulator market

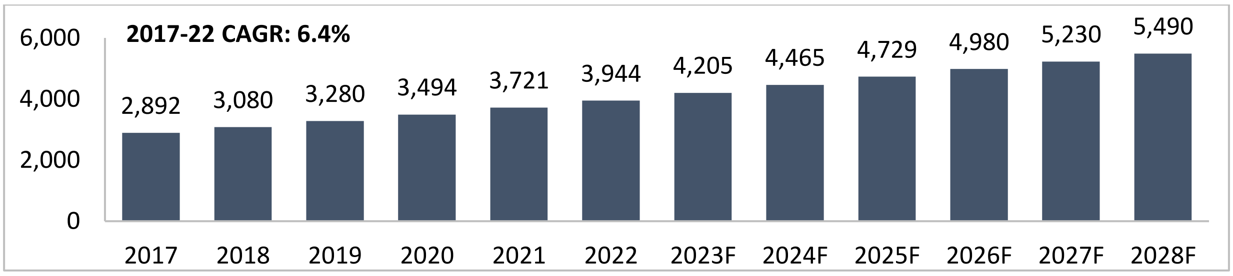
Methoxyhydrazide is mainly used in vegetables and farmland to control lepidopteran pests on vegetables (melons and fruit), apples, corn, cotton, grapes, kiwi, walnuts, flowers, beets, tea and field crops (rice, sorghum and soybean). Especially for larvae and eggs.

The product was introduced for use on a wide range of fruit & vegetable crops and has also been licensed out to Bayer for introduction in European markets. The product was introduced in the UK (CY 2003) and Spain (CY 2005) under license by Bayer as Runner, and also in Poland, followed by further EU introductions for use on fruit and vines.

The key innovator of the API was Dow AgroSciences, now Corteva (Intrepid, Runner, Prodigy). It is mainly used for crops such as Soybean, F&V, Pome fruit, Vine, among others. The main pests it works upon are Lepidoptera. The application rate varies between 20 – 300 (g/ha).

European Annex 1 registration has been achieved, with the main crop uses in the region being vine, pome fruit, stone fruit and citrus, however the product has been listed as a candidate for substitution because it is reportedly persistent and toxic. The most important crop use being on soybeans in Brazil, the USA and Argentina where it is used to control loopers, armyworms and other worm pests. Nihon Nohyaku and Corteva Agriscience entered a sales agreement in CY 2021 which gave Nihon Nohyaku access to sell several Corteva products, including Methoxyfenozide in Japan. Many new product combinations(formulations) that have been launched by Corteva since CY 2020 have Methoxyfenozide as one of the key ingredients. Methoxyfenozide is considered a better product as compared to quite few other products and hence it acts as a replacement to not so favorable agrochemical products. In past, Dow (now Corteva) had been replacing Tebufenozide with Methoxyfenozide in some markets, particularly for cotton. It is said that Methoxyfenozide has lower application rate with broader spectrum of activity.

Exhibit 5.19: Global Methoxyfenozide Industry size (MT), CY2017-2028F



The major vendors of Methoxyfenozide includes:

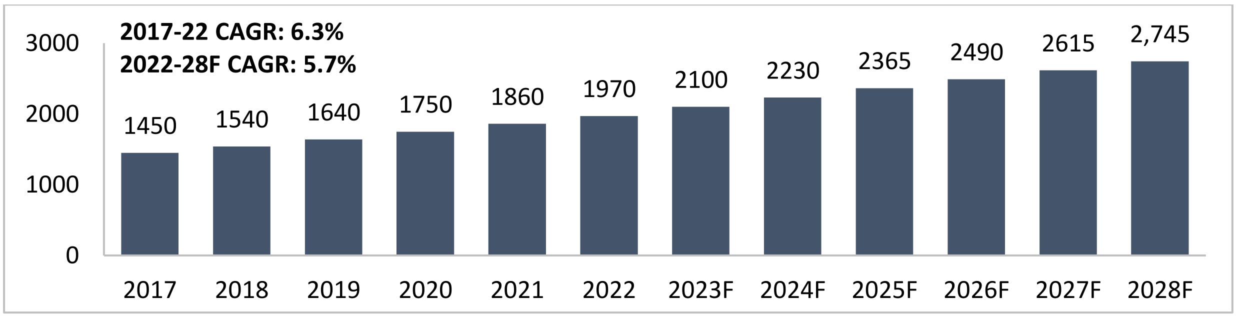
- Dow AgroSciences (Corteva)
- Shandong Weifang Rainbow

Intermediate Requirement:
3-methoxy-2-methoxybenzoyl chloride is a key intermediate to manufacture Methoxyfenozide. Nearly 500 Kg of 3-Methoxy 2-Methyl Benzoyl Chloride is required to produce 1000 kg of Methoxyfenozide.

Intermediate: 3-Methoxy 2-Methyl Benzoyl Chloride (MMBC)

MMBC is one of the key intermediates for manufacture of Methoxyhydrazide. The global market of the intermediate was around 1,970 MT in CY 2022 and is expected to grow in tandem with Methoxyfenozide.

Exhibit 5.20: Global MMBC Industry size (MT), CY2017-2028F



Some of the key Global manufacturers include WeylChem US, Aether Industries, Jiangsu Kefeite Biochemistry Technology Ltd By Share Ltd, etc.

WeylChem US produces chemicals such as general organic chemicals, flavour enhancers, pharmaceutical intermediates, pesticide active ingredients, and herbicides as well as a few inorganic chemicals. It produced close to 1,350 MT of MMBC in CY 2022 accounting for major share of 69% of the global market. The company specializes in Grignard chemistry, offering a broad range of Grignard reagents & end-to-end custom manufacturing of specialty chemical products.

Aether launched MMBC in September 2019 and is the only manufacturer of 3-Methoxy 2-Methyl Benzoyl Chloride in India and second largest manufacturer globally with 13.9% market share in CY 2022 basis sales volume). FY 2020 was the first year of commercial production of MMBC for Aether, producing around 238 MT and selling it in the international market. In CY 2022 the company produced ~239MT of MMBC and had a sales of ~ 273 MT. Aether deploys Grignard chemistry and carbon dioxide coupling chemistry as the chemistry core competencies and continuous reaction technology and high vacuum fractional distillation technology as the technology core competencies for this product.

Chinese manufacturers include Jiangxi Keyuan Biopharm Co. Ltd., China, Jiangsu Kefeite Biochemistry Technology Ltd, China, among others which together account for 350-400 MT accounting for 15 - 20% of CY 2022 of the global market. However, companies like Jiangxi Keyuan Biopharm have been facing sever raw material sourcing issues hand hence the production and utilization has been low since CY 2020.

5.15. Agrochemical AI – Bifenthrin

Bifenthrin belongs to the broad-spectrum pyrethroid that benefits from activity against certain mite species. Originally launched in CY 1986 under the brand name Talstar, bifenthrin is now FMC’s most commercially significant insecticide. This novel pyrethroid is used to control a broad range of insect pests including whitefly, insect larvae and mites. The initial focus was on cotton, however fruit & vegetable usage has now overtaken cotton. The product is also applied in a broad range of other crops, including soybean, maize, rice and oilseed rape. In addition to crop outlets, bifenthrin also finds significant usage in a range of non-crop markets, including lawn and home & garden to control a variety of insect pests, as well as usage in the termite control sector.

In addition to solo formulations, FMC has also introduced bifenthrin in a number of combination products, including with zeta-cypermethrin as Hero and Capture and with imidacloprid as Brigadier for use on potatoes during planting. In CY 2012 the company received a patent for a formulation specially developed for mixing with fertilisers. In CY 2015 Hero and Capture were included in Monsanto’s Roundup Ready Plus Crop Management Solutions platform

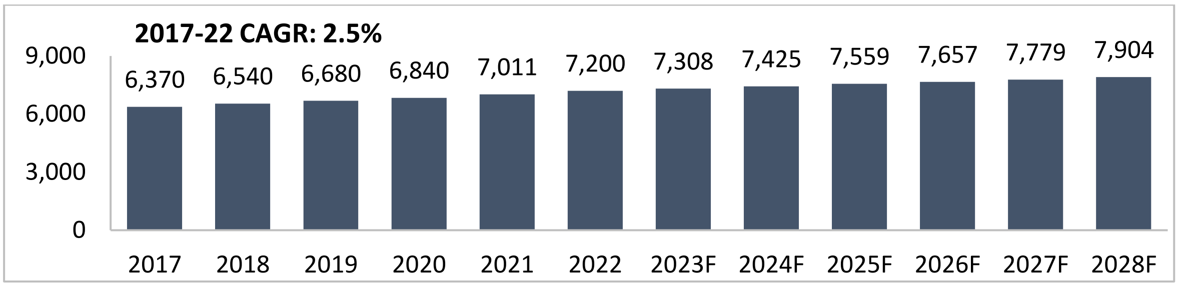
Bifenthrin has received EU Annex 1, with the company reinstating registrations for the product in all of the key EU member states, although non-crop uses are no longer permitted in the EU. The European ordered that outdoor agrochemical uses must end in CY 2019, and that use of the Bifenthrin is only be permitted in greenhouses with a permanent structure.

Moreover, Bifenthrin is marketed by Amvac as Discipline or SmartChoice (as part of a mixture with chlorethoxyfos), is a broad-spectrum pyrethroid used for the control of a broad range of insect pests on maize. Amvac initially gained a US registration in CY 2004, since which time the product has found significant use as part of Amvac’s SmartBox system. In CY 2010 Amvac acquired the Aztec product line from Bayer CropScience, including the maize insecticide Smartchoice, a combination of chlorethoxyfos and bifenthrin.

Since CY 2020 many formulations have been launched in the market by Adama, FMC, Rotam do Brasil etc that contain Bifenthrin.

The global market for Bifenthrin was around 7,200 MT in CY 2022. Bifenthrin from FMC experienced strong growth in the early 2000s, mainly due to new registrations, mixture formulations and growth in non-crop sectors, including termite control. This led to a growth of nearly 2.5% historically till CY 2022. However, increasing generic competition slowed value growth and the growth in the product is expected to be around 1.6% in near future.

Exhibit 5.21: Global Bifenthrin Industry size (MT), CY2017-2028F



Key global manufacturers of this Agrochemical ingredient includes FMC (Capture, Talstar, Discipline, Hero), Amvac, Bharat Rasayan, Adama, among others.

Apart from the above-mentioned global players, some of the Indian local players include:

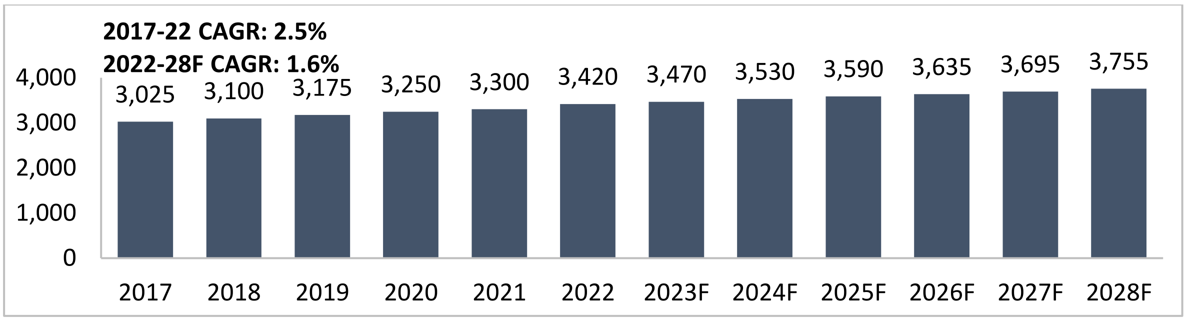
Sl. No.	Company Name
1	Meghmani Organics Ltd
2	Hemani Industries Limited
3	Agrow Allied Ventures Private Limited
4	United Phosphorus Ltd.
5	Crystal Crop Protection Pvt. Ltd.
6	Bharat Rasayan Limited
7	Best Agrochem Pvt. Ltd.,
8	Heranba Industries Ltd.
9	Shogun Organics Limited
10	Insecticides India Ltd.
11	Krishi Rasayan Exports Pvt. Ltd.,
12	Safex Chemicals India Ltd.
13	Hindustan Pulverising Mills
14	Aimco Pesticides Limited
15	Jai Shree Rasayan Udyog Ltd

Intermediate Requirement: Nearly 475 Kg of Bifenthrin Alcohol is required to produce 1000 kg of Bifenthrin.

Intermediate: Bifenthrin Alcohol (BFA)

Bifenthrin Alcohol is one of the key intermediates for manufacture of Bifenthrin. The global market of the intermediate was around 3,420 MT in CY 2022 and is expected to grow at CAGR of 1.6% from CY 2022-28

Exhibit 5.22 : Global Bifenthrin Alcohol Industry size (MT), CY2017-2028F



Aether launched Bifenthrin Alcohol in August 2021 and is the only manufacturer of Bifenthrin Alcohol in India. The company produced and sold nearly 335 MT in CY 2022, with this Aether is among the Top 6 companies in the world as per sales. The company accounts for ~10% share in the global market on a sales basis. The company is further expected to increase production rate and garner a higher market share. The company deploys Grignard chemistry and coupling chemistry as the key chemistry competencies and continuous reaction technology and high vacuum fractional distillation technology as the key technology competencies for this product.

The market is crowded with Chinese players providing the intermediate. Some of the key manufacturers include:

Sl. No.	Company name
1	Changzhou Booming Crop Science Co.,
2	Hefeng Agro Co.,Ltd.
3	Jiangsu Chunjiangruntian Agrochemical Co., Ltd
4	Jiangsu Huifeng Agrochemical Co., Ltd
5	Jiangsu Yangnong Chemical Co. Ltd.
6	Liaoning Fluorine New Energy Material
7	Nanjing Bangnong Chemicals Co
8	Xinxiang City Sanxin Science and Technology C
9	Capot Chemical Co. Ltd.

Chinese players are major suppliers for India Agrochemical companies. Bulk of the exports from China is routed through traders, distributors and logistic companies. India imported nearly 2,400 MT of Bifenthrin Alcohol in CY 2022. There is great scope for import substitution for local intermediate manufacturers in India.

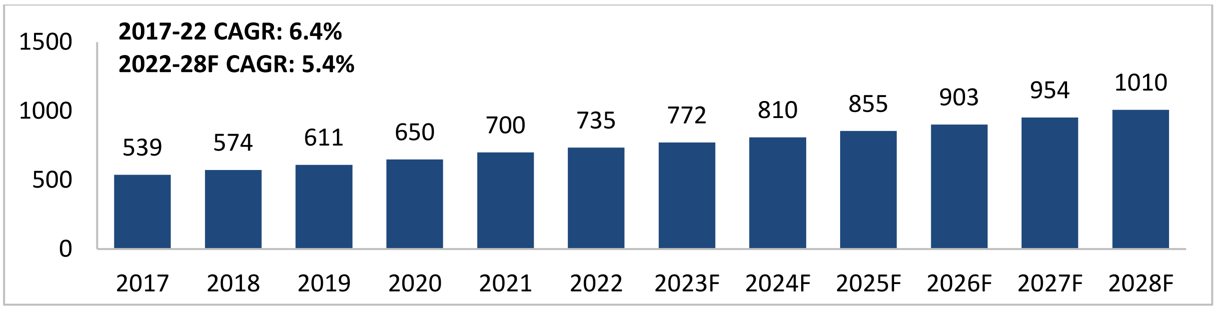
5.16. δ-Valerolactone (DVL)

δ-Valerolactone (DVL), a lactone, is a versatile intermediate with a variety of applications. It is used as a chemical intermediate in production of polyesters. DVL is used in the synthesis of an acid chloride which is subsequently utilised as a building block in active Ingredients. δ-valerolactone is used as an intermediate in the production of coatings, speciality monomer, electronic chemicals, dispersants and as a comonomer for polymerization with ε-caprolactone, which is responsible for the lowering of the melting point of the resulting copolymer or oligomer. Additionally, δ-valerolactone is used for the preparation of the homopolymer poly-δ-valerolactone.

DVL due to its good application, flexibility, lower biological toxicity, easy polymerization and ability to increase the viscosity of coatings and other characteristics, delta-valerolactone is widely used in polyesters, polyurethanes, special solvents, and coatings.

Geographically, USA and Europe are the largest market for DVL. Americas and Europe have large polymer and paint manufacturers owing to which both the geographies are major consumers of DVL. The Russia-Ukraine war caused several disruptions in the coatings and polymer industries especially in Europe, many of the major paints and coatings manufacturers exited Russia due to the sanctions and developing geopolitical tensions. These included companies like BASF, Jotun, Teknos, Akzo Nobel etc to name a few. These dynamics have impacted the market for coating additives and ingredients including DVL. Hence in CY 2022, DVL saw slightly reduced growth rate as compared to previous years. India and China are comparatively smaller markets.

Exhibit 5.23: Global Delta-Valerolactone Industry size (MT), CY2017-2028F



Source: Frost and Sullivan Primary Research & Analysis

Aether launched DVL in September 2016 and is the only manufacturer of Delta-Valerolactone in India. The company has been producing and selling nearly over 80-100 MT of the product since CY 2017. In CY 2022, the production was ~190 MT and the sales of the product was ~ 140 MT. The company accounted for 19-20% of the global market share on a sales volume basis in CY 2022. The company deploys heterogeneous catalysis as the chemistry core competency and continuous reaction technology, fixed bed reaction technology, gas phase reaction technology, and high vacuum fractional distillation as the technology core competencies for this product. Globally BASF is the largest manufacturer accounting for nearly 60% of the market (CY 2022). BASF produces over 400-450 MT of DVL annually. Apart from BASF and Aether other manufacturers belong in China with Changzhou Jintan Hengxin Chemical Co., Ltd. (Changzhou Jintan Hengxin Institute of Chemistry) being one of the leading manufacturers. It produces around 100-150 MT of DVL annually. The products are made to order, and no inventories are kept. It is produced and dispatched immediately. Globally, Aether is the second largest manufacturer of the product based on the quantities manufactured in CY 2022.

- **Aether's New Products**

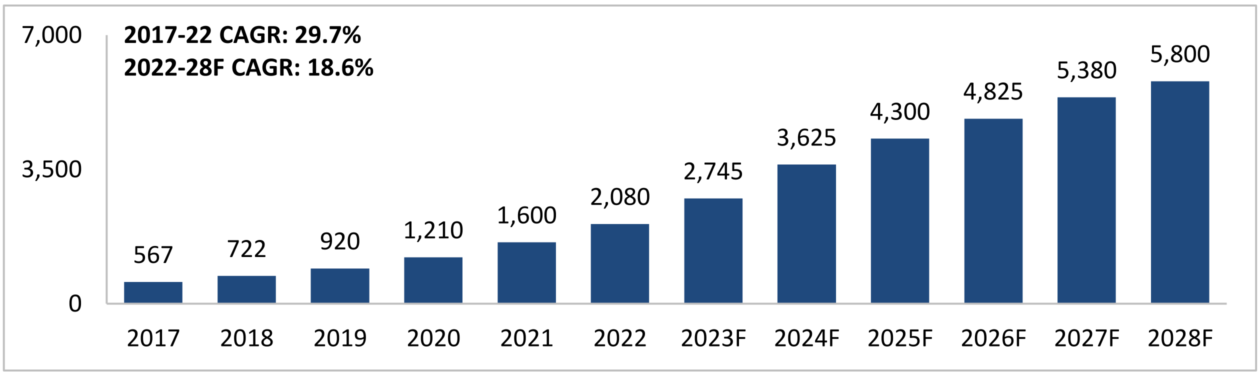
5.17. API – Dolutegravir

Dolutegravir (DTG), is an API for antiretroviral medication used, together with other medication, to treat HIV/AIDS. It may also be used, as part of post exposure prophylaxis, to prevent HIV infection following potential exposure. It is an oral medication.

In August 2013, dolutegravir was approved for medical use in the United States followed by Canada and the European Commission. In CY 2019, a triple-combination therapy, with dolutegravir replacing efavirenz, was introduced as the first-line treatment for all people (pregnant excluded) with HIV by the South African Government (public) sector.

As of CY 2018 over two dozen high-burden HIV markets have already included or are planning to include DTG-based regimens in their national HIV treatment guidelines, a critical first step for new product introduction.

Exhibit 5.24: Global Dolutegravir Industry size (MT), CY2017-2028F



Source: Frost and Sullivan Primary Research & Analysis

Being an antiretroviral drug the major market for Dolutagravir is in Africa and Asia. There are over 30 API manufacturers globally with 19 having US DMF. The major API producers for the product are in India. The key ones are as listed below.

Company	Location
GSK	India
Aurobindo Pharma	India
Emcure Pharmaceuticals Ltd	India
Hetero Labs Ltd	India
Laurus Labs Ltd	India
Adcock Ingram	South Africa
Macleods Pharmaceuticals Ltd	India
Micro Labs Ltd	India
Msn Life Sciences Private Ltd	India
Mylan Laboratories Ltd	India
Shanghai Desano Chemical Pharmaceutical Co Ltd	China
Sun Pharmaceuticals	China
Cipla Ltd	India
Cadila Healthcare Ltd.	India
Divis Laboratories Ltd.	India
Styrax Pharma Pvt. Ltd.	India
Intas Pharmaceuticals Ltd.	India

GSK, Aurobindo Pharma, Laurus Labs, Mylan Laboratories, and Shanghai Desano Chemical Pharmaceuticals make up for about 50% of the market share in CY 2022 and they are expected to continue to dominate the market in the coming years as well as the product will remain under patent till CY 2028. Additionally, to maintain the novelty of the product many companies are also focusing on novel drug delivery systems.

From CY 2019, WHO has recommended the use of Dolutegravir (DTG) as the preferred first-and second-line of treatment for all population groups. Dolutegravir's day dosage is just 50mg vis-à-vis other existing treatments whose day dosage is 400/600 mg, owing to which DTG is expected to replace other treatment regimens with Dolutegravir. The tablets are also smaller and easier to take.

CY 2025 onwards over 15 million people are expected to take DTG as a treatment option

(*Source: PLOS One- journal.pone.0164619.t004*)

In June 2020, dolutegravir was approved in the US with an indication to treat HIV-1 infection in children at least four weeks old and weighing at least 3 kg (6.61 pounds) in combination with other antiretroviral treatments. It is intended to treat children at least 4 weeks old and 3 kg who have never been treated for HIV.

5.18. Aether Industries has intermediates in pipeline which are actively used in production of Dolutegravir. These intermediates are said to have good market growth in future which will be beneficial for Aether's top-line. Aether is known to have strong market positioning in complex intermediates where global competition is intense.

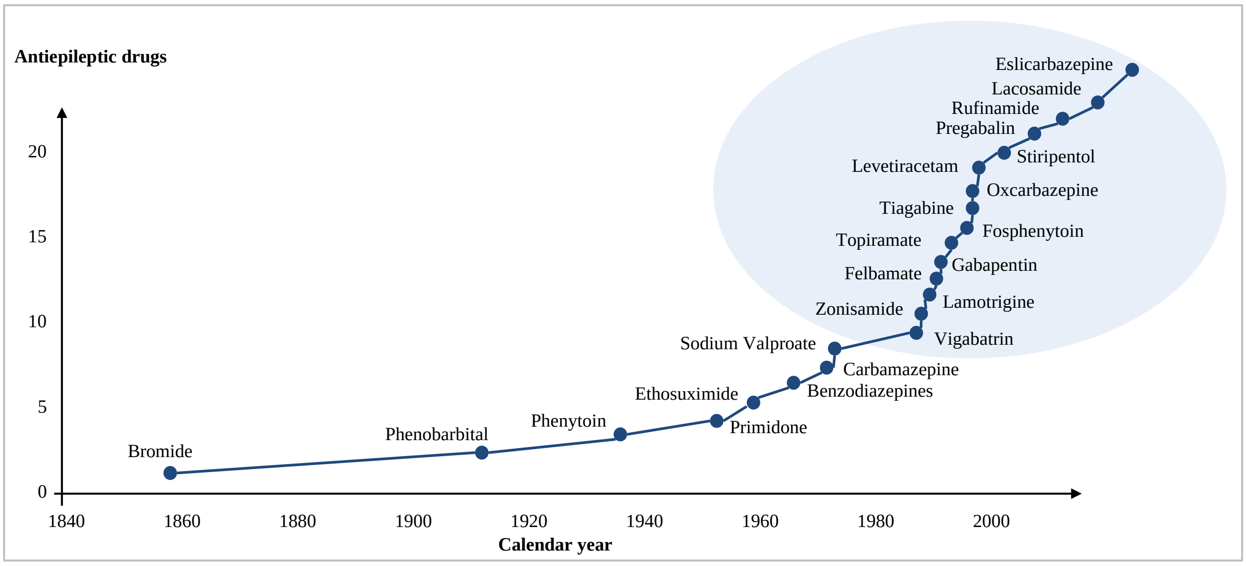
5.19. API – Carbamazepine

Carbamazepine is used to prevent and control seizures. This medication is known as an anticonvulsant or anti-epileptic drug. It is also used to relieve certain types of nerve pain (such as trigeminal neuralgia). This medication works by reducing the spread of seizure activity in the brain and restoring the normal balance of nerve activity. The drug is sold under many brand names such as pitol, Carbatrol, Tegretol, and Tegretol XR, among others. It is also used for schizophrenia as an alternate line of treatment as well as for bipolar disorder.

Antiepileptic Drugs Market – By Drug Type

First Generation Drugs	Second Generation Drugs
• **Valproate (Depakote)** • **Oxycarbazepine (Trileptal)** • **Carbamazepine (Carbatrol)** • **Phenobarbital (Luminal)** • **Primidone (Mysoline)** • **Ethosuximide (Zarontin)** • **Topiramate (Topamax)**	• Lamotrigine (Lamictal) • Pregabalin (Lyrica) • Eslicarbazepine acetate Zonisamide (Zonegran) • Lacosamide (Vimpat) • Levetiracetam (Keppra) • Perampanel (Fycompa) • Rufinamide (Banzel/Inovelon) • Ezogabine/retigabine (Trobalt/Potiga)

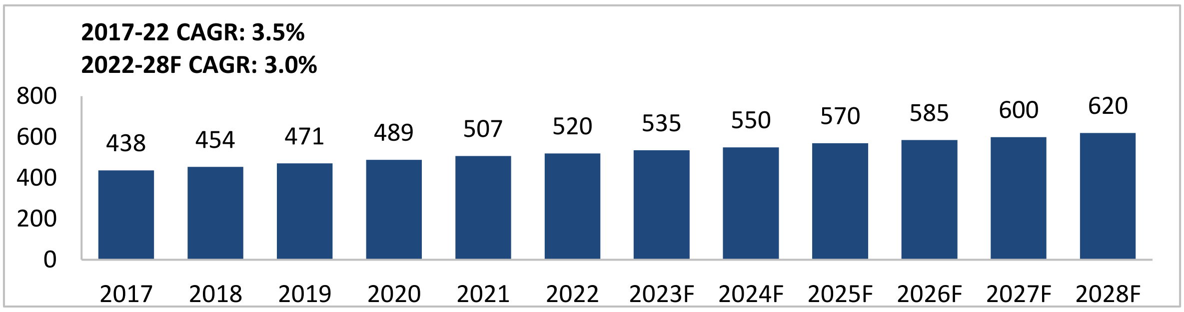
Over the last 30 years, there has been an increase in the number of antiepileptic drugs (AEDs) available for treating patients with seizures. There are more than 25 AEDs in the market that have led to enhanced treatment for many. Carbamazepine (CBZ) became a major licensed drug and became widely available in the mid-1960s. Carbamazepine (Tegretol) is still one of the primary drugs for the treatment of symptomatic epilepsy with partial and generalized tonic–clonic seizures and accounts for good share in the first-generation Antiepileptic Drugs Market.



The Global Antiepileptic Drugs Market was estimated to be USD 5.2 billion in CY 2022, growing at a CAGR of 3.0% during the forecast period CY 2022-2028. The second and third generation drugs segment is forecast to be the fastest-growing segment. Second Generation Drugs has been the blockbuster drug for epilepsy treatment and has proved its potential in slowing the impulses of the brain and controlling the seizures. Newer antiepileptic drugs include the third generation that have brought more treatment options and increased ease of use

The Carbamazepine market is estimated to be around 520 MT in CY 2022. The increasing demand for carbamazepine for the treatment of various types of seizures and bipolar disorders is expected to drive the global carbamazepine market in the next few years. None of the newer drugs has currently been shown higher efficacy than carbamazepine.

Exhibit 5.25: Global Carbamazepine Industry size (MT), CY2017-2028F



Source: Frost and Sullivan Primary Research & Analysis

The India carbamazepine market is driven by use of these drugs for the treatment of epilepsy and neuropathic pain. Carbamazepine is available as chewable tablet, suspension, tablet, extended release tablet, and extended release capsule. In addition to this, upsurge in the demand for carbamazepine for treating numerous types of seizures and bipolar disorders is expected to rev up the market growth through CY 2028. Additionally, supportive government policies and improving healthcare infrastructure are some other reasons that are expected to create lucrative opportunities for the market growth over the next few years.

The major manufacturers are:

Company Name	Location
Siegfried Evionnaz SA	Switzerland
Teva Pharmaceutical Industries Ltd	India
Taro Pharmaceutical Industries Ltd	India
Fis Fabbrica Italiana Sintetici Spa	Italy
Jubilant Generics Ltd	India
Siegfried Evionnaz SA	Switzerland
Amoli Organics Pvt. Ltd	India
Ctx Life Sciences Pvt. Ltd	India
Zaklady Farmaceutyczne Polpharma SA	China
Zhejiang Raybow Pharmaceutical Co Ltd	China

Aether Industries has intermediates in pipeline which are actively used in production of Carbamazepine. These intermediates are said to have good market growth in future which will be beneficial for Aether's topline. Aether is known to have strong market positioning in complex intermediates where global competition is intense.

5.20. API – Oxcarbazepine

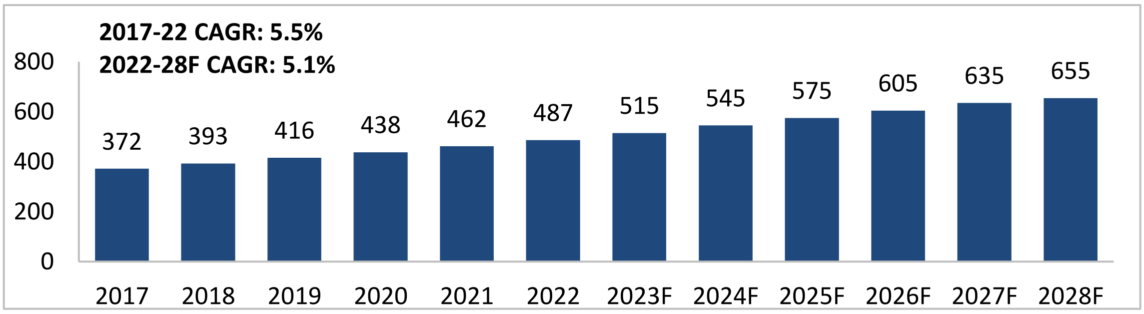
Oxcarbazepine is an anticonvulsant. It works by decreasing nerve impulses that cause seizures and pain. This medication is known as an anticonvulsant or anti-epileptic drug. Epilepsy is a disorder of central nervous system which causes abnormal brain activity, periods or seizures of unusual behaviour, loss of awareness at times. This drug API is either used alone or along with other drugs for treating partial seizures which is expected to rev up the market growth through CY 2028. Adults and children of at least 4 years of age are given a Trileptal band of oxcarbazepine as a single medicine while adults and children of at least 6 years of age are given oxtellar XR band of oxcarbazepine along with other medicines

Antiepileptic Drugs Market – By Drug Type

First Generation Drugs	Second Generation Drugs
• **Valproate (Depakote)** • **Oxycarbazepine (Trileptal)** • **Carbamazepine (Carbatrol)** • **Phenobarbital (Luminal)** • **Primidone (Mysoline)** • **Ethosuximide (Zarontin)** • **Topiramate (Topamax)**	• Lamotrigine (Lamictal) • Pregabalin (Lyrica) • Eslicarbazepine acetate Zonisamide (Zonegran) • Lacosamide (Vimpat) • Levetiracetam (Keppra) • Perampanel (Fycompa) • Rufinamide (Banzel/Inovelon) • Ezogabine/retigabine (Trobalt/Potiga)

The Oxcarbazepine market is estimated to be around 487 MT in CY 2022. The increasing demand for Oxcarbazepine for the treatment of various types of seizures and bipolar disorders is expected to drive the global Oxcarbazepine market in the next few years.

Exhibit 5.26: Global Oxcarbazepine Industry size (MT), CY2017-2028F



Source: Frost and Sullivan Primary Research & Analysis

The major manufacturers are:

Company Name	Location
Taro Pharmaceutical Industries Ltd	India
Jubilant Generics Ltd	India
Signa Sa De Cv	Mexico
Sun Pharmaceutical Industries Ltd	India
Amoli Organics Pvt. Ltd	India
Ctx Life Sciences Pvt. Ltd	India
Dasami Lab Private Ltd	India
Msn Life Sciences Private Ltd	India

Aurore Life Sciences Private Ltd	India

Aether Industries has intermediates in pipeline which are actively used in production of Oxcarbazepine. These intermediates are said to have good market growth in future which will be beneficial for Aether's topline. Aether is known to have strong market positioning in complex intermediates where global competition is intense.

5.21. API – Memantine

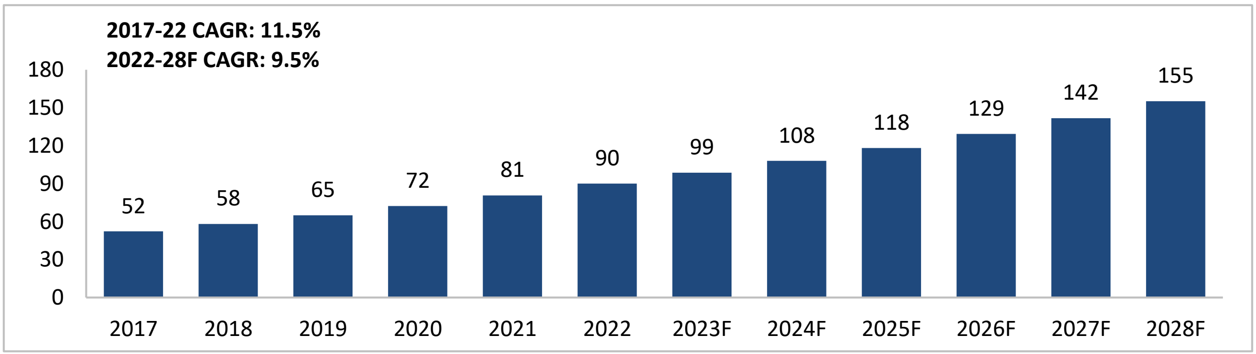
Alzheimer's Drugs Market size in CY 2022 is estimated to be USD 4.04 billion, growing at a CAGR of 8–9% during the forecast period CY 2022-2028. Alzheimer's is a progressive neurological disease and most common form of dementia with symptoms includes memory loss and destroy thinking skills, difficulties with problem-solving or language.

Currently more than 55 million people have dementia (Incl. Alzheimer's disease) worldwide, over 60% of whom live in low-and middle-income countries. Every year, there are nearly 10 million new cases.

Based on the Drug Class, Alzheimer's Drugs Market is segmented into Cholinergic, Memantine, Combined drug, and other drugs. Memantine, the fifth alzheimer's drug, is an NMDA (N-methyl-D-aspartate) receptor antagonist has dominated the drug class segment due to many patent expiry of major products and a restricted number of drugs to treat alzheimer's disease. The Memantine segment is forecast to be the fastest-growing segment and is projected to grow at a CAGR of 9–10 % during the forecast period CY 2022-2028. This is mainly owing to growing purchasing power and disposable income of the people that are contributing to increased sales of this drug class. Moreover, it is used to treat symptoms like confusion, improves memory and brain function, which further drives the market. Memantine is the world's first drug for the treatment of moderate to severe Alzheimer's disease. On October 17, 2003, the U.S. FDA approved the memantine tablets of Forest Company, whose trade name is Namenda. In the global pharmaceutical market, memantine is the only anti-AD drug that has entered the top 500 in the world.

The Global Memantine market is relatively small and is estimated to be around 90 MT in CY 2022. Increasing number of pipeline studies for use of memantine are expected to boost growth of the memantine market.

Exhibit 5.27: Global Memantine Industry size (MT), CY2017-2028F



Source: Frost and Sullivan Primary Research & Analysis

The major manufacturers are:

Company Name	Location
Union Quimico Farmaceutica Sa (Uquifa Sa)	Spain
Olon Spa	Italy
Industriale Chimica Srl	Italy
Amsa Anonima Materie Sintetiche And Affini Spa	Italy
Procos Spa	Italy
Apotex Pharmachem Inc	USA

Company Name	Location
Olainfarm Jsc	Latvia
Mylan Laboratories Ltd	India
Lupin Ltd	India
Dr Reddys Laboratories Ltd	India
Orchid Pharma Ltd	India
Teva Pharmaceutical Industries Ltd	India
Sun Pharmaceutical Industries Ltd	India
Msn Pharmachem Private Ltd	India
Unichem Laboratories Ltd	India
Alembic Pharmaceuticals Ltd	India
Hikal Ltd	India
Macleods Pharmaceuticals Ltd	India
Hetero Drugs Ltd	India
Sharon Bio Medicine Ltd	India
Emcure Pharmaceuticals Ltd	India
Megafine Pharma P Ltd	India
Zcl Chemicals Ltd	India
Macleods Pharmaceuticals Ltd	India
Hainan Poly Pharmaceutical Co Ltd	India

Increasing number of expired patents of drugs is a major factor hindering growth of the global memantine market. For instance, according Merz Pharmaceuticals, a Germany-based company, in October 2018, overall licensing income during patented period for memantine decreased due to expiration of patent protection in a majority of markets. Geographically, North America is expected to hold dominant position in the global memantine market, owing to increasing number of generic versions of memantine in the U.S. market. For instance, in February 2018, Lupin Limited announced the launch of its Memantine Hydrochloride Extended-Release Capsules in the U.S. market.

5.22. Aether Industries has intermediates in pipeline which are actively used in production of Memantine. These intermediates are said to have good market growth in future which will be beneficial for Aether's topline. Aether is known to have strong market positioning in complex intermediates where global competition is intense. Aether will undertake the following chemistries & technologies to manufacture the intermediate - High pressure chemistry, hydrogenation chemistry, continuous flow technology, high vacuum distillation technology, among others.

5.23. API – Ambroxol

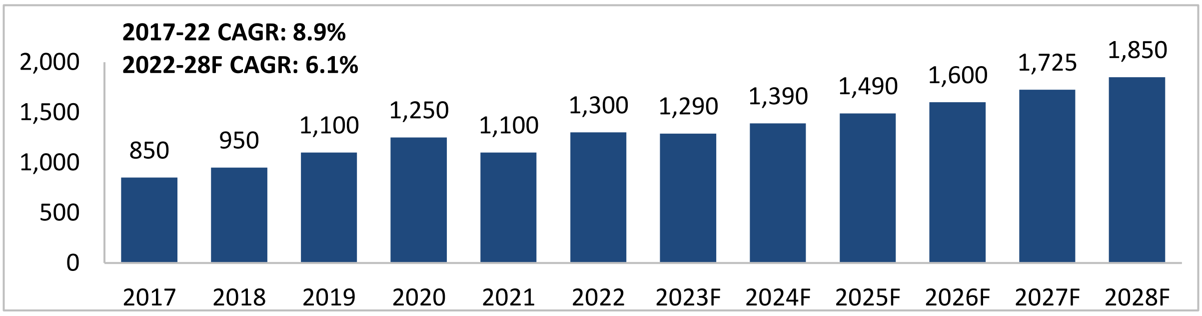
Ambroxol is a mucolytic drug used in the treatment of respiratory disorders such as bronchitis, asthma, and chronic obstructive pulmonary disease (COPD). It works by thinning and loosening the mucus in the airways, making it easier to cough up. It is also used to reduce the production of mucus in the airways. This makes it easier for the patient to breathe. Additionally, Ambroxol is used to treat some types of cancer and can also be used to reduce the symptoms of cystic fibrosis. The chemical constituent of ambroxol is ambroxol hydrochloride, an active metabolite of Bromhexine. There are two types of Ambroxol available in the market - Normal type, Long-acting type.

In CY 1981, ambroxol (trade name: Mucosolvan) developed by German company Boehringer Ingelheim was launched. After years of development, third-generation expectorant ambroxol has become the most common drug in the clinical treatment of respiratory diseases. Compared with the first and second generations of expectorants, ambroxol excels in dissolving mucus.

The increasing prevalence of respiratory diseases such as bronchitis, asthma, and pneumonia is projected to drive the Ambroxol market growth. The rising geriatric population is also anticipated to fuel the demand for Ambroxol in the coming years. Growing awareness about the benefits of Ambroxol is likely to propel its uptake in various regions across the globe. AstraZeneca announced a partnership with University College London (UCL) worth over five years aimed at accelerating the discovery and development of new treatments for asthma and chronic obstructive pulmonary disease (COPD). Such initiatives are expected to create lucrative opportunities for players operating in this market over the next few years.

Ambroxol market was increasing steadily till CY 2020. The market had a dip in CY 2021 following which it again started increasing and is expected to surpass CY 2020 mark by CY 2023. The Ambroxol market is projected to grow at a CAGR of 6-7% between CY 2022 to CY 2028. The top 3 exporters of Ambroxol are India followed by Chile and China at the 3rd spot.

Exhibit 5.28: Global Ambroxol Industry size (MT), CY2017-2028F



Source: Frost and Sullivan Primary Research & Analysis

Geographically, Europe is the largest regional Ambroxol API sales market with a share of over 35–40%. The region is expected to maintain its dominance over the forecast period owing to the presence of key companies, high R&D expenditure by companies, and a rising geriatric population prone to osteoarthritis. increasing prevalence of target diseases such as cancer and cardiovascular diseases is also anticipated to drive demand for ambroxol in Europe. Asia Pacific is projected to be the fastest-growing regional market from CY 2022 to CY 2030 on account of the growing geriatric population base, improving healthcare infrastructure along with increasing awareness regarding treatment options for arthritis & related conditions. Moreover, economic development & modernization have enabled large sections of people in this region to access healthcare facilities resulting in an increased adoption rate for new-generation therapeutics including Ambroxol API in recent years.

The major manufacturers are:

Company Name	Location	Company Name	Location
Sandoz (China) Pharmaceutical	China	**Novartis Pharmaceuticals Corp**	India
Jiangsu Hengrui Medicine	China	**DM Pharma**	India
Yangzhou Sanyao Pharmaceutical Co., Ltd.	China	**Hexal Pharmaceuticals**	India
Changzhou Siyao Pharmaceuticals	China	**Ami Lifesciences Pvt. Ltd.**	India
Shandong Luoxin Pharmaceutical	China	**Sris Pharmaceuticals**	India
Yangzhou NO.3 Pharmaceutical	China	**Biesterfeld Spezialchemie GmbH**	Germany
Beijing Taiyang Pharmaceutical	China	**Bidachem SPA**	Italy
Shanghai Hengshan Pharmaceutical	China	**Hanmi Pharm Co., Ltd.**	South Korea
Shandong YUXIN Pharmaceutical	China	**Takeda Pharmaceutical Company Ltd.**	Japan
Chengdu Hengrui Pharmaceutical	China		
Hubei Ocean Biotechnology	China		
Teva Pharmaceutical Industries Ltd	India		
Mylan Laboratories Ltd	India		

Company Name	Location	Company Name	Location
Bayer Pharmaceuticals	India		

Aether Industries has intermediates in pipeline which is actively used in production of Ambroxol. The intermediate is said to have good market growth in future which will be beneficial for Aether's topline. Aether is known to have strong market positioning in complex intermediates where global competition is intense. Aether will undertake the following chemistries & technologies to manufacture the intermediate - High pressure chemistry, hydrogenation chemistry, continuous flow technology.

Section 6: Key Performance Indicators

6.1. Key Performance Indicators of Select Companies

Key Performance Indicator	Aether Industries Limited			Clean Science and Technology Limited		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Revenue from Operations	4,498.16	5,900.47	6,510.74	5,124.28	6,848.86	9,357.99
Revenue from Operations (CAGR- FY21-23)	-	-	20.31%	-	-	35.14%
EBITDA	1,121.59	1,681.07	1,862.51	2,589.54	2,998.88	4,020.95
EBITDA Margin	24.93%	28.49%	28.61%	50.53%	43.79%	42.97%
EBITDA (CAGR- FY21-23)	-	-	28.86%	-	-	24.61%
PAT	711.19	1,089.29	1,304.17	1,983.80	2,284.95	2,951.76
PAT Margin	15.67%	18.25%	19.53%	36.87%	31.96%	30.57%
PAT (CAGR- FY21-23)	-	-	35.42%	-	-	21.98%
RoE	40.79%	28.16%	10.48%	36.76%	29.73%	29.23%
RoCE	28.50%	23.96%	14.28%	82.73%	54.67%	54.63%
Current ratio i. e., liquidity ratio	1.44	1.69	7.18	3.87	4.23	5.46
Quick Ratio	0.91	1.01	4.50	3.35	3.56	4.51
Debt equity ratio	1.19	0.74	0.00	0.00	0.00	0.00
Capital Gearing Ratio	0.84	1.36	11,747.12	1,630.41	2,321.60	19,423.06
Debt Service Coverage Ratio	4.50	5.35	0.92	86.55	1,724.90	2,785.39
Net Debt to EBITDA	2.43x	2.17x	0.18x	0.40x	0.27x	0.32x
Interest Service Coverage Ratio	8.94	11.63	32.01	2,656.58	1,870.54	1,876.95
Total Assets Turnover Ratio	1.19	0.97	0.61	0.94	0.86	0.90
Fixed Assets Turnover Ratio	2.48	2.22	1.30	2.50	2.36	2.28
Net Capital Turnover Ratio	6.28	3.52	1.12	1.75	1.57	1.82
Current Assets Turnover Ratio	2.36	1.83	1.20	1.57	1.42	1.56
Inventory Turnover Ratio (Days)	134	206	286	156	143	122
Receivables Turnover Ratio (Days)	88	101	145	53	82	57
Payables Turnover Ratio (Days)	76	89	94	180	166	90
EPS	7.36	9.67	10.47	18.68	21.51	27.78
NAV	18.03	34.33	99.96	50.81	72.35	95.05

Key Performance Indicator	Navin Fluorine International Limited			Vinati Organics Limited		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Revenue from Operations	11,793.90	14,533.60	20,774.00	9,542.58	16,155.12	20,847.06
Revenue from Operations (CAGR- FY21-23)	-	-	32.72%	-	-	47.81%

EBITDA	3,092.90	3,548.10	5,503.10	3,525.22	4,340.82	5,954.21
EBITDA Margin	26.22%	24.41%	26.49%	36.94%	26.87%	28.56%
EBITDA (CAGR- FY21-23)	-	-	33.39%	-	-	29.96%
PAT	2,575.20	2,630.70	3,751.80	2,693.21	3,466.19	4,579.74
PAT Margin	20.46%	17.63%	17.75%	27.48%	20.68%	21.23%
PAT (CAGR- FY21-23)	-	-	20.70%	-	-	30.40%
RoE	15.76%	14.26%	17.17%	17.45%	18.96%	20.65%
RoCE	26.30%	17.55%	16.43%	22.80%	21.10%	27.00%
Current ratio i. e., liquidity ratio	5.91	2.65	2.81	6.08	4.64	4.52
Quick Ratio	5.01	1.98	1.91	4.94	3.58	3.65
Debt equity ratio	0.00	0.06	0.39	0.00	0.01	0.00
Capital Gearing Ratio	648.38	17.65	2.57	762.22	99.35	11,036.26
Debt Service Coverage Ratio	164.96	164.67	16.91	1,474.50	1,516.67	27.12
Net Debt to EBITDA	-0.91x	1.26x	2.38x	0.52x	0.59x	0.53x
Interest Service Coverage Ratio	152.52	161.53	17.72	1,461.10	1,502.11	866.52
Total Assets Turnover Ratio	0.67	0.68	0.70	0.60	0.85	0.90
Fixed Assets Turnover Ratio	2.05	1.59	1.33	1.20	1.86	2.04
Net Capital Turnover Ratio	1.19	2.29	2.20	1.74	2.65	2.69
Current Assets Turnover Ratio	1.20	1.31	1.67	1.47	2.26	2.36
Inventory Turnover Ratio (Days)	122	141	191	115	75	64
Receivables Turnover Ratio (Days)	88	90	99	106	104	82
Payables Turnover Ratio (Days)	73	80	99	63	46	40
EPS	51.96	53.08	75.44	26.20	33.72	44.56
NAV	329.69	372.11	439.34	150.16	177.85	215.82

Key Performance Indicator	**PI Industries Limited**			**Fine Organic Industries Limited**		
	FY 2021	**FY 2022**	**FY 2023**	**FY 2021**	**FY 2022**	**FY 2023**
Revenue from Operations	45,770.00	52,995.00	64,920.00	11,332.18	18,762.59	30,230.77
Revenue from Operations (CAGR- FY21-23)			19.10%			63.33%
EBITDA	10,122.00	11,424.00	15,421.00	1,992.55	3,645.07	8,310.84
EBITDA Margin	22.11%	21.56%	23.75%	17.58%	19.43%	27.49%
EBITDA (CAGR- FY21-23)			23.43%			104.23%
PAT	7,383.00	8,438.00	12,295.00	1,203.41	2,597.09	6,181.02
PAT Margin	15.70%	15.62%	18.49%	10.46%	13.60%	20.02%
PAT (CAGR- FY21-23)			29.05%			126.63%
RoE	13.82%	13.79%	17.08%	16.45%	27.08%	40.10%
RoCE	25.05%	22.81%	33.13%	27.38%	41.34%	74.91%
Current ratio i. e., liquidity ratio	3.57	3.68	4.79	4.00	3.54	5.37
Quick Ratio	2.73	2.62	3.61	3.17	2.58	3.68
Debt equity ratio	0.06	0.04	0.00	0.12	0.06	0.02
Capital Gearing Ratio	16.29	22.85	n.a.	8.20	16.39	56.66
Debt Service Coverage Ratio	2.96	13.15	4.96	4.25	8.87	16.66
Net Debt to EBITDA	0.18x	0.23x	-0.62x	-0.24x	0.12x	-0.31x
Interest Service Coverage Ratio	29.70	73.48	35.46	24.88	65.69	171.23
Total Assets Turnover Ratio	0.82	0.72	0.80	1.26	1.72	1.99
Fixed Assets Turnover Ratio	2.01	2.12	2.45	5.10	8.06	12.14
Net Capital Turnover Ratio	1.41	1.47	1.45	2.43	2.94	2.62

Current Assets Turnover Ratio	1.41	1.12	1.22	1.98	2.49	2.62
Inventory Turnover Ratio (Days)	149	178	144	63	72	91
Receivables Turnover Ratio (Days)	56	60	43	52	59	42
Payables Turnover Ratio (Days)	113	115	86	49	47	36
EPS	49.89	55.62	81.04	39.25	84.71	201.60
NAV	361.00	403.45	474.47	238.57	312.85	502.69

Notes:

I. *EBITDA is calculated as the sum of (i) profit before tax excluding exceptional items and prior period items for the period/year, (ii) depreciation and amortization expenses, and (iii) finance costs less (iv) other income*
II. *EBITDA Margin is calculated as EBITDA divided by revenue from operations*
III. *PAT Margin is calculated as profit for the period/year divided by total income*
IV. *ROE is calculated as profit for the period/year divided by total equity*
V. *ROCE is calculated as earnings before interest and taxes divided by Capital Employed (Capital Employed is calculated as total equity, plus non-current borrowings, plus current borrowings, less current investments, less cash & cash equivalents, less bank balances other than cash & cash equivalents.)*
VI. *Current ratio i. e., liquidity ratio defined as Current Assets/Current Liabilities*
VII. *Quick Ratio defined as (Current Assets-Inventory - Prepaid Expenses)/Current Liabilities. (The peer data for FY23 does not exclude prepaid expenses due to lack of information available publicly)*
VIII. *Debt equity ratio defined as Total Debt/Total Equity (Total Debt is calculated as non-current borrowings plus current borrowings)*
IX. *Capital Gearing Ratio defined as Total Equity/Total Debt (Total Debt is calculated as non-current borrowings plus current borrowings)*
X. *Debt Service Coverage Ratio defined as (PAT+ Depreciation & amortisation+ Finance Costs)/(Interest Cost+ Principal Repayments)*
XI. *Net Debt to EBITDA is defined as (Total Liabilities - Cash And Cash Equivalents)/EBITDA.*
XII. *Interest Service Coverage Ratio defined as EBIT/Finance Costs (EBIT is calculated as profit before tax plus finance cost less other income)*
XIII. *Total Assets Turnover Ratio defined as Revenue from Operations/Average Total Assets*
XIV. *Fixed Assets Turnover Ratio defined as Revenue from Operations/Average Net Fixed Assets (incl. CWIP)*
XV. *Net Capital Turnover Ratio defined as Revenue from Operations/Net Working capital (Net Working capital is calculated as current assets less current liabilities)*
XVI. *Current Assets Turnover Ratio defined as Revenue from Operations/Average Current Assets*
XVII. *Inventory Turnover Ratio(days) defined as (Closing Inventory/Cost of materials consumed incl changes in Inventory and purchase of stock in Trade) *365*
XVIII. *Receivables Turnover Ratio(days) defined as (Closing Receivables/Revenue from Operations) *365*
XIX. *Payables Turnover Ratio(days) defined as (Closing Payables/Cost of materials consumed incl changes in Inventory and purchase of stock in Trade) *365*
XX. *EPS defined as PAT/Weighted average number of equity shares outstanding during the year (incl. ESOP shares)*
XXI. *NAV defined as Total Equity/Weighted average number of equity shares outstanding during the year (incl. ESOP shares)*

OUR BUSINESS

Some of the information contained in this section, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations on a Consolidated Basis" on pages 52 and 99, respectively, for a discussion and analysis of factors that may affect our business, financial condition, results of operations or cash flows. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular "Fiscal" are to the 12 months ended March 31 of that year. All financial information included herein is given on a standalone basis unless stated otherwise. For further information, please read "Presentation of Financial and Other Data" on page 13.

Industry and market data used in this section are derived from the F&S Report, which was exclusively prepared for the purpose of this Issue. Our Company commissioned and paid for the F&S Report pursuant to the engagement letter dated May 12, 2023. Unless otherwise indicated, all operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant year. F&S is not related in any manner to our Company, any of the Directors or the Promoters. For more details, see "Presentation of Financial and Other Data" and "Industry and Market Data" on pages 13 and 15, respectively.

Overview

Our Company is a speciality chemical manufacturer in India focused on producing advanced intermediates and speciality chemicals involving complex and differentiated chemistry and technology core competencies. Our business was started in 2013 with a vision to create a niche in the global chemical industry with a creative approach of 8x8 matrix of core competencies which we have developed in-house, from scratch, towards chemistry, technology and systems that would lead to sustainable growth. In the first phase of our development through Fiscal 2017, we focused on building our team and infrastructure and on our R&D centred around building our core competencies. Our revenue generation operations commenced with our second phase in Fiscal 2017. We are one of the fastest growing specialty chemical companies in India, growing at a CAGR of nearly 43.11% between Fiscal 2018 and Fiscal 2023. *(Source: F&S Report)*

We are focused on the core competencies model of chemistry and technology. According to the F&S Report, chemical companies usually have a single or a couple of chemistry competencies for their entire product portfolio; however, we have eight chemistry competencies to use for our wide array of products, which enables us to cater to niche and advanced intermediate requirements of a wider range of end-products and applications. All the chemistry and technological competencies have been developed in-house, which is one of the core strengths of our R&D team *(Source: F&S Report)*. We have three business models under which we operate: (i) large scale manufacturing of our own intermediates and speciality chemicals; (ii) contract research and manufacturing services ("**CRAMS**") and (iii) contract/exclusive manufacturing. We are among the few Indian specialty chemical companies to have successfully launched these three separate business models, large scale manufacturing, contract research/ exclusive manufacturing, and CRAMS (contract research and manufacturing services), in just 5 years into commercial manufacturing *(Source: F&S Report)*. We have a nuanced criteria for choosing our products based on their chemical complexity, niche applications, limited competition, scalability and commercial potential. Using these criteria, we developed, and continue to develop, advanced intermediates and speciality chemicals products having applications in the pharmaceutical, agrochemicals, material science, coatings, high performance photography, additives and oil & gas segments of the chemicals industry.

As of March 31, 2023, our product portfolio comprised over 28 products. According to the F&S Report, we were the sole manufacturer in India of certain critical chemicals, such as, 4MEP, MMBC, T2E, OTBN, NODG, DVL and Bifenthrin Alcohol. According to the F&S Report, we were (i) the biggest manufacturer of 4MEP globally in terms of production volume and the only manufacturer of this product in India, (ii) the largest manufacturer of HEEP in India and globally in terms of sales volume, (iii) the largest manufacturer of NODG globally in terms of sales volume and the only manufacturer of this product in India and (iv) the biggest manufacturer of T2E globally in terms of production volume and the only manufacturer of this product in India. The table below sets forth eight of our products, their applications, our market position globally and in India for such products, and their launch year.

Product	Launch Year	Industry Application	Global market size (MT) [1]	Quantity manufactured by our Company (MT)	Company Global Market Position [1]	Company India Market Positions[1]
4-(2-Methoxyethyl) Phenol **(4MEP)**	December 2016	Metoprolol Succinate / Metoprolol Tatrate	1,750	845	Largest manufacturer in the world (with 32-35%market share in CY2022)	Only manufacturer in India
3-Methoxy-2-Methylbenzoyl Chloride (**MMBC**)[2]	September 2019	Methoxyfenozide	1,970	239	Second largest manufacturer in the world (with 13.9% market share in CY2022)	Only manufacturer in India
Thiophene-2-Ethanol **(T2E)**	May 2017	Clopidogrel, Ticlopidine APIs	790	363	Largest manufacturer in the world (with nearly 50% market share in CY2022)	Only manufacturer in India
Ortho Tolyl Benzo Nitrile / 4'-Methyl-2-Cyanobiphynyl **(OTBN)**	December 2018	Valsartan, Telmisartan, Olmesartan, Losartan, Candisartan APIs	6,065	43	Market share in CY2022 was negligible	Only manufacturer in India
N-Octyl-D-Glucamine / 1-Deoxy-1-(Octylamino)-D-Glucitol (**NODG**)	July 2015	Naproxen, Dexketoprofen APIs	955	246	Largest manufacturer in the world (with 28.2% market share in CY2020)	Only manufacturer in India
1-2-(2Hydroxyethoxy) Ethyl Piperazine **(HEEP)**	May 2018	Quetiapine, Hydroxyzine APIs	526	260	Largest manufacturer in the world (with 41% market share in CY2022)	One of three major manufacturers, only manufacturer in India to be backward integrated into key raw material
Delta-Valerolactone (**DVL**)	September 2016	Coating additive, speciality monomer, electronic chemical	735	188	Second largest manufacturer in the world (with 19-20% market share in CY 2022)	Only manufacturer in India
Bifenthrin Alcohol	August 2021	Bifenthrin	3,420	334	Among the top 6 companies in the world (approximately 10% of the market share in the global market)	Only manufacturer in India

Notes:
[1] Market share and market size by volumes as of CY 2022 (Source: F&S Report).
[2] MMBC is manufactured for our customer as part of our contract/exclusive manufacturing business.

We specialize in products based on an intricate marriage of complex chemistry and technology core competencies. Examples of our chemistry core competencies include Grignards, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (homogeneous /heterogeneous), exothermic chemistry, cross coupling chemistry and olefin metathesis/polymerization chemistry. Examples of our technology core competencies include continuous reaction technology, batch reaction technology, high pressure reaction technology, fixed bed reaction technology, cryogenic reaction technology, distributed control system ("**DCS**") process automation and high vacuum distillation technology (wiped film/short path). By our focus on 8x8 matrix of core competencies we have developed in-house from scratch, we have developed a chemistry and technology oriented sales vision, to cater to various segments of the chemical industry, as compared to a product and industry oriented sales vision. Our focus on core competencies also helps us mitigate risk because our business strategy and R&D are not targeted to any specific product, customer, region, or industry. Our Company is one of the few companies in the specialty chemicals sector in India who has deployed continuous reaction technology as a core technology competency at all stages (R&D, Pilot Plant and large scale manufacturing) *(Source: F&S Report)*.

Our products are advanced intermediates and speciality chemicals that occupy a position in the chemical industry value chain between commodity chemicals and final actives and formulations with our products more closely aligned to the higher value range, further away from the commodities and closer towards the final active part of the value chain. Our Company is known to have strong market positioning in complex intermediates where global competition is intense *(Source: F&S Report)*. We have been focused on developing high value products, which has resulted in the average selling price of all our products to grow by a CAGR of 7.92% between Fiscal 2016 and Fiscal 2023 *(Source: F&S Report)*. Our products find application in a number of therapeutic segments in the pharmaceuticals industry including hypertension, anti-platelet, anti-psychotic, anti-histamine and nonsteroidal anti-inflammatory drugs ("**NSAIDs**"). Our products also find application in various other industries like agrochemicals, material science, coatings, high performance photography, additives and oil & gas. Most of our advanced intermediates and speciality chemicals product portfolio was developed for the first time in India and constitute 100% import substitution, thus furthering the "Make in India" or "Atma-Nirbharta" campaigns of the Government of India *(Source: F&S Report)*.

Our sales of our advanced intermediates and speciality chemicals products are predominantly conducted on a business-to-business basis both in India and internationally. A majority of our products are exported internationally, and we export products to 21 countries, including Italy, Spain, Germany, the United States, Netherlands, Singapore, Malta, Norway, South Korea and other parts of the world. Our revenue from exports (including deemed exports) have grown at CAGR of 33.65% from ₹2,516.62 million in Fiscal 2021 to ₹4,495.04 million in Fiscal 2023.

The foundation of our Company is our in-house research and development capabilities. Our chemistry and technology core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production employing in-house design and engineering. We inaugurated our R&D centre on October 11, 2022. We have dedicated in-house R&D Facilities and Pilot Plant at our Manufacturing Facility 1 at Sachin in Surat, Gujarat. Our R&D Facilities are dedicated to the development of our pipeline and next generation products as well as to our CRAMS customers. As of March 31, 2023, we had a specialized R&D team of 233 scientists and engineers including 111 scientists (with PhDs or Master of Science and Bachelor of Science degrees) and 122 chemical engineers and as of March 31, 2022, we had a specialized R&D team of 164 scientists and engineers comprising of 92 scientists (with PhDs or Master of Science and Bachelor of Science degrees) and 72 chemical engineers. Our R&D Facilities are equipped with laboratories engaged in process development, process innovation and technology development, which assists us in pursuing efficiencies from the initial conceptualization up to commercialization of a product. Our strategic investments in R&D have been critical to our success and a differentiating factor for us to attain leading market positions for certain products *(Source: F&S Report)*.

We have a state-of-art Pilot Plant, which is a vital link between R&D and large scale production. According to the F&S Report, we have one of the largest state-of-art pilot plants in the world with 106 reactors installed, for both batch as well as continuous reaction technology. Our Pilot Plant has a dual functionality; it functions to generate critical scale-up data in the transition from R&D to production to help eliminate issues at full production scale; and it also functions as a stand-alone manufacturing facility for low volume, high value products for our CRAMS customers. Our Pilot Plant encompasses a wide range of reactor and downstream equipment, in both continuous and batch regimes, across the entire range of scale-up volumes, metallurgy, and process parameters and is automated through DCS process automation. A unique section in our Pilot Plant is the continuous reaction and flow technology plant, housing pilot scale equipment for continuous and flow reactors and continuous downstream equipment.

We have three sites at Sachin in Surat (Gujarat, India). Our Manufacturing Facility 1 is an approximately 3,500 square meters facility including our R&D Facilities, our analytical sciences laboratories, our Pilot Plant, our CRAMS facility and our hydrogenation facility. Our Manufacturing Facility 2 spans approximately 10,500 square meters and acts as a large scale manufacturing facility with an installed capacity of 6,096 MT per annum (for our solvent recovery plant ("**SRP Plant**"): 13,140 MT) distributed among three buildings that host 16 production streams (and one SRP Plant Stream), as of March 31, 2023. Our capacity utilization was 70.98% (for our SRP Plant: 69.44%) as of March 31, 2023, as certified by Dr. Pankaj Jayantilal Gandhi, Chartered Engineer. Our Manufacturing Facility 3 spans over land admeasuring 5,250 square meters and acts as a large-scale manufacturing facility with an installed capacity of approximately 3,500 MT per annum and is used for the production of speciality chemicals and intermediates for use in Pharmaceutical industry. See "*—Manufacturing and R&D Facilities*" below. Each facility is equipped to function independently, with its own quality department, effluent treatment plant and warehouse. Each facility is automated with DCS process automation, and built to the high standards of technology, engineering and automation. All the facilities are in close proximity to the Hazira Port and JNPT Port, which helps us save freight costs on our exports. We also have procured the ISO 9001:2015 certification for our Manufacturing Facility 1 and the ISO 14001:2015, ISO 45001:2018, ISO 27001:2013 and GMP certifications for our major operations at our Manufacturing Facility 2. We have also acquired additional land next to the existing Manufacturing Facility 3, with the intention of extending the Manufacturing Facility 3 which now consist of 10,500 square meters. We have entered into an agreement for acquiring land for Manufacturing Facility 4 of 5,250 square meters at Sachin. We have acquired land on a long term lease, for the Manufacturing Facility 5 of 125,874.64 square meters at Panoli GIDC, Bharuch District, Gujarat. We have applied for the regulatory approvals for the Manufacturing Facility 5 and have started the wall fencing work.

We have, in Fiscal 2023, expanded our R&D and Pilot Plant capacities by adding new fume hoods in R&D (which have increased from 17 in Fiscal 2022 to 55 in Fiscal 2023) and the reactors in Pilot Plant (which were over 100 in Fiscal 2022 to more than 200 in Fiscal 2023).

In addition to R&D and manufacturing of own products (our first business model), we engage in contract research and manufacturing services (CRAMS, our second business model), which are the research and technology services that customers outsource to us and include contract research, pilot scale-up services, contract manufacturing, FTE services, technology development and process development and optimisation. Our CRAMS customers work jointly with our scientists and engineers, and we execute their projects in our R&D Facilities, analytical sciences laboratories, and our Pilot Plant. Molecules developed in our CRAMS business for our customers have the potential to convert into regular commercial supplies and become large scale manufacturing products for our Company. The growing CRAMS business model also enables us to interact directly with the top echelons of technical and research teams and leadership (chief technology officers, technical directors and technical vice presidents) of the global leading innovator and multi-national companies across the industry, opening up future contract manufacturing opportunities for our Company *(Source: F&S Report)*. In Fiscal 2021, Fiscal 2022 and Fiscal 2023, revenues from our large scale manufacturing constituted 72.23%, 67.03% and 51.56% of our revenues from operations. In Fiscal 2021, Fiscal 2022 and in Fiscal 2023, revenues from our CRAMS business constituted 7.98%, 8.12% and 12.54%, respectively, of our revenues from operations.

We also manufacture our customer's products under contractual/exclusive supply agreements (our third business model). These customer contracts are both short-term and long-term and involve both exclusive and non-exclusive arrangements. In Fiscal 2021, Fiscal 2022 and in Fiscal 2023, revenues from our contract manufacturing business constituted 19.38%, 23.77% and 34.31%, respectively, of our revenues from operations.

We have a target driven approach to environment, health, sustainability and safety measures. Our manufacturing principles and technologies aim to adhere to the core tenets of "green" chemistry or sustainable chemistry. Principles of energy saving and conservation, atom economy and the 4R strategy (reduce / recover / recycle / reuse) are fundamental in our manufacturing designs and engineering. As part of environment and sustainability efforts, we have installed a 100 KLPD in-house zero liquid discharge ("**ZLD**") plant. We undertake hazard and operability studies before commencing commercial production of new products and look to mitigate hazards through process improvement, engineering controls, process automation (including our DCS Systems), mock drills, developing safe operating procedures and comprehensive training of our employees.

Our Company is led by our Promoters comprising of our Managing Director Ashwin Jayantilal Desai, and our executive (whole time) Directors, Purnima Ashwin Desai, Rohan Ashwin Desai and Dr. Aman Ashvin Desai, who have a combined experience of over 125 years in the chemical industry. Each of our Promoters is a career-technocrat and is actively involved in the critical aspects of our business, including R&D, process and plant engineering, finance and marketing. Our senior management team is also experienced in the chemicals industry. The majority of our management team has spent more than 5 years each with our Company. Our Senior Management Personnel include career-technocrats such as Dr. James Ringer (experience at Dow Chemical Company, USA), Raymond Paul Roach (experience at Dow Chemical Company) and Dr. Norbert Flüggen (experience at Altana Management Services, USA).

Key financial information

Certain key financial information is set forth below:

(*in ₹ million except percentages and ratios*)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023
EBITDA(1)	1,121.59	1,681.07	1,862.51
EBITDA Margin(2)	24.93%	28.49%	28.61%
PAT Margin(3)	15.67%	18.25%	19.53%
RoCE(4)	28.50%	23.96%	14.28%
Debt equity ratio(5)	1.19	0.74	0.00
Return on Net Worth(6)	40.79%	28.16%	10.48%

Notes:

1. *EBITDA is calculated as the sum of (i) profit before tax excluding exceptional items and prior period items for the period/year, (ii) depreciation and amortization expenses, and (iii) finance costs less (iv) other income*
2. *EBITDA Margin is calculated as EBITDA divided by revenue from operations*
3. *PAT Margin is calculated as profit for the period/year divided by total income*
4. *RoCE is calculated as earnings before interest and taxes divided by Capital Employed. Capital Employed is calculated as total equity, plus non-current borrowings, plus current borrowings, less current investments, less cash & cash equivalents, less bank balances other than cash & cash equivalents.*
5. *Debt equity ratio defined as Total Debt/Total Equity. Total Debt is calculated as non-current borrowings plus current borrowings*
6. *Return on Net Worth is calculated as profit for the period/year divided by Net Worth*

Our Market Opportunity

Growth in Speciality Chemical Market

From CY 2022 to CY 2028, the global chemicals market is expected to grow at a CAGR of 4.3% and the India Speciality chemical market at a CAGR of 10.3%, according to Frost & Sullivan. The following table sets forth the size in CY2022 of the global chemical market, global speciality chemical market and the Indian speciality chemical market and the expected growth in these markets forecast for CY 2028.

Market	CY2022	CY2028	CAGR (2022-28)
Global Chemical Market	$5,030 billion	$6,460 billion	4.3%
Global Speciality chemical Market	$ 960 billion	$1,440 billion	7.0%
India Speciality Chemical Market	$ 75 billion	$ 135 billion	10.3%

(Source: F&S Report)

Factors driving the growth in India Speciality Chemicals market

The following factors are driving growth in the India Speciality Chemicals market:

Growth in End Use Segments

According to F&S Report, the speciality chemicals industry in India is driven by both domestic consumption and exports. The following table sets forth the size in CY2022 of the segments of the Indian speciality chemical market and the expected growth in these segments forecast for CY 2028.

India Speciality Chemical Segments	2022	2028 (forecast)
	(US$ billions)	
Agrochemicals & Fertilizers	30.2	56.2
Pharmaceuticals (API)	12.4	24.7
Dyes & Pigments	7.6	12.9
Paints & Coatings Additives	5.5	9.8
Home & Personal Care	4.4	7.2
Textile Chemicals	2.1	3.3
Water Treatment Chemicals	1.9	3.0
Flavours & Fragrances Ingredients	1.8	3.2
Construction Chemicals	1.0	1.5
Others	8.2	13.2
Total	**75.1**	**135.0**

(Source: F&S Report)

Supply chain de-risking driven by China downturn

China's chemicals market has seen a downturn in recent years due to various factors:

(i) Stringent environmental norms: The tightening of environmental protection norms in China since January 2015 resulting in increase in operating costs, closure and relocation of manufacturing facilities *(Source: F&S Report).*

(ii) Rising cost of labour: The labour cost (hourly cost of compensation) in China was lower than that of India till 2007. However, over 2005-2015, the average labour cost in China increased nearly 19-20% CAGR, against 4-5% CAGR in India *(Source: F&S Report).*

While these may not be permanent trends, these will involve significant costs of production for Chinese companies, enabling India to significantly strengthen its position in the global supply chain and position itself as a viable alternative for global players seeking a de-risked supply chain while containing sourcing costs *(Source: F&S Report).* The recent downturn observed in China's speciality chemicals industry is serving as an opportunity for Indian manufacturers, who have now gained a cost advantage over their Chinese counterparts *(Source: F&S Report).*

Accelerated R&D and capital expenditure

According to F&S Report, India's R&D capabilities and the long-term relationships that the domestic Indian chemical companies have forged with their customers are key to the growth of Indian chemical companies. The sector is witnessing accelerated capital expenditure and investment in R&D to build product development capabilities. Increased R&D allows these companies to step up their position in the speciality chemicals manufacturing value chain to become 'proprietary chemical producers'*(Source: F&S Report).* The key specialty chemical companies in India have committed capex of 73%-152% for CY 2022 to CY 2025 of the cumulative capex incurred in the last 5 years of CY 2018-22 *(Source: F&S Report).* These companies had made capital expenditure for capacity augmentation and/or product development based on their end-user industries *(Source: F&S Report).*

GoI support and "Make in India" campaign

The GoI is providing support through production linked incentive ("**PLI**") scheme and other schemes and competitive tax rates *(Source: F&S Report).* Further, the "Make in India" campaign is also expected to add impetus to the emergence of India as a manufacturing hub for the chemicals industry in the medium term. Through incentives, subsidies and grants under this campaign, Indian companies could gain further ground as companies would want to reduce dependence on China after the COVID-19 pandemic and shift their supply chains *(Source: F&S Report).*

Availability of feedstock

The GoI has encouraged companies to set up capacities in petroleum, chemicals, and petroleum investment regions ("**PCPIR**") by demarcating special zones to aggregate feedstock demand. PCPIRs are expected to boost chemicals manufacturing, to the extent that it is sufficient to meet domestic as well as export demand *(Source: F&S Report).*

Improved safety, health and environment compliance and "Green chemistry"

India like China also faces threat from environmental concerns and tighter norms. Over the years, Indian chemicals players have invested in safety health & environment ("**SH&E**") to ensure plant sustainability *(Source: F&S Report).* Further, the concept of Green Chemistry in India is evolving. The rising pollution and harm caused to water bodies owing to emission of harmful chemical effluents into water is leading to rise in concern of sustainability. The pharmaceutical industry was among the first to embrace Green Chemistry for its significant potential to reduce costs and risks *(Source: F&S Report).*

For further details, see "*Industry Overview*" on page 128.

Our Strengths

We believe that we possess a number of competitive strengths, which enable us to successfully execute our business strategies, including the following:

Differentiated portfolio of market-leading products

We are focused on producing advanced intermediates and speciality chemicals involving complex and differentiated chemistry and technology core competencies. Our products have applications across a wide spectrum of uses in the pharmaceutical, agrochemicals, material science, coatings, high performance photography, additives and oil & gas industries. As of March 31, 2023, our product portfolio comprised over 28 products which were marketed to more than 50 global customers in 21 countries and to more than 230 domestic customers.

The complexity of our products relative to commodity chemicals and regular specialty chemicals is illustrated in the table below.

Parameter	Commodity Chemicals	Regular Speciality Chemicals	Aether Speciality Chemicals
Blended Price	₹200-350 per kg	₹450-750 per kg	~₹1,766.25 per kg
Steps in the manufacturing process	1-2	2-3	4-10
Number of stages remaining until active ingredients are produced	n-10 and upwards	n-6 till n-9	n-1 till n-6

(Source: F&S Report)

We believe that we have achieved these market positions by developing differentiated processes with the use of our core competencies of chemistry, technology and systems, which helped us to optimize the use of conventional raw materials, improve atom economy, enhance yields, reduce effluent discharge, and increase cost competitiveness. The specialty chemicals industry observes a high barrier to new entrants due to the complex production processes requiring high level of technical knowledge and R&D capabilities *(Source: F&S Report)*. Based on the technical expertise we have developed over the years, we are able to carry out these processes for our products at global scale capacities.

According to F&S Report, in CY2022, we were the sole manufacturer in India of certain critical chemicals, such as, 4MEP, MMBC, T2E, OTBN, NODG, DVL and Bifenthrin Alcohol. According to the F&S Report, we were (i) the biggest manufacturer of 4MEP globally in terms of production volume and the only manufacturer of this product in India, (ii) the largest manufacturer of HEEP in India and globally in terms of production volume, (iii) the largest manufacturer of NODG globally in terms of sales volume and the only manufacturer of this product in India and (iv) the biggest manufacturer of T2E globally in terms of production volume and the only manufacturer of this product in India. We have emerged as one the biggest competition and threats to the Chinese specialty chemical companies for these products and the Chinese customers are dependent on Aether for supplying these products *(Source: F&S Report)*.

The table below sets forth eight of our products, their application, our market position globally and in India, and product launch period.

Product	Industry Application	Company Global Market Position [(1)]	Company India Market Position [(1)]	Launch Month / Year of the Product
4-(2-Methoxyethyl) Phenol **(4MEP)**	Metoprolol Succinate / Metoprolol Tatrate	Largest manufacturer in the world	Only manufacturer in India	December 2016
3-Methoxy-2-Methylbenzoyl Chloride (**MMBC**) [(2)]	Methoxyfenozide	Second largest manufacturer in the world	Only manufacturer in India	September 2019
Thiophene-2-Ethanol **(T2E)**	Clopidogrel, Ticlopidine APIs	Largest manufacturer in the world	Only manufacturer in India	May 2017
N-Octyl-D-Glucamine / 1-Deoxy-1-(Octylamino)-D-Glucitol (**NODG**)	Naproxen, Dexketoprofen APIs	Largest manufacturer in the world	Only manufacturer in India	July 2015

Product	Industry Application	Company Global Market Position (1)	Company India Market Position (1)	Launch Month / Year of the Product
1-2-(2Hydroxyethoxy) Ethyl Piperazine **(HEEP)**	Quetiapine, Hydroxyzine APIs	Largest manufacturer in the world	One of three major manufacturers, only manufacturer in India to be backward integrated into key raw material	May 2018
Delta-Valerolactone (**DVL**)	Coating additive, speciality monomer, electronic chemical	Second largest manufacturer in the world	Only manufacturer in India	September 2016
Bifenthrin Alcohol (**BFA**)	Bifenthrin	Among the top 6 companies in the world (approximately 10% of the market share in the global market)	Only manufacturer in India	August 2021

Notes:

(1) Market share by volumes as of CY 2022 (Source: F&S Report).

(2) MMBC and BFA are manufactured for our customer as part of our contract/exclusive manufacturing business model.

Focus on R&D to leverage our core competencies of chemistry, technology and systems

The foundation of our Company is our in-house research and development capabilities. Our strategic investments in R&D have been critical to our success and a differentiating factor for us to attain leading market positions for certain products *(Source: F&S Report)*. Based on the technical expertise we have developed over the years, we are able to carry out innovative processes at global scale, which, is difficult to replicate, and creates significant barriers for new entrants *(Source: F&S Report)*.

Our chemistry, technology and systems core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production with in-house design and engineering. Our in-house development (without the support from any clients for R&D) showcases our innovation and research strength, and our expertise in a large range of chemistries and technologies has allowed us to support a number of end use industries *(Source: F&S Report)*. Examples of our chemistry core competencies include Grignards, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (homogeneous /heterogeneous), exothermic chemistry, cross coupling chemistry and olefin metathesis/polymerization chemistry. According to the F&S Report, for the competency of tandem Grignard and ethylene oxide chemistry, we have been a pioneer in Indian specialty chemicals markets, given that there are currently only four Indian companies in tandem Grignard and six Indian companies in ethylene oxide. Examples of our technology and systems core competencies include continuous reaction technology, batch reaction technology, high pressure reaction technology, fixed bed reaction technology, cryogenic reaction technology, distributed control system ("**DCS**") process automation and high vacuum distillation technology (wiped film/short path). We are one of the few companies in the specialty chemicals sector who has deployed continuous reaction technology as a core technology competency at all stages (R&D, Pilot Plant and large-scale manufacturing) *(Source: F&S Report)*.

Our R&D Facilities are dedicated to the development of our pipeline and next generation products as well as to our CRAMS customers. As of March 31, 2023, we had a specialized R&D team of 233 scientists and engineers including 111 scientists (with PhDs or Master of Science and Bachelor of Science degrees) and 122 chemical engineers and as of March 31, 2022, we had a specialized R&D team of 164 scientists and engineers comprising of 92 scientists (with PhDs or Master of Science and Bachelor of Science degrees) and 72 chemical engineers. Our R&D laboratories are fitted with modern synthesis equipment including fume hoods, lab scale continuous and flow reactors and advanced separation equipment. In addition, our R&D labs are supplemented with modern analytical method development and quality control laboratories equipped with the entire suite of equipment necessary for modern organic chemistry research. We also have a state-of-art Pilot Plant, which is a vital link between R&D and large-scale production. Our Pilot Plant has a dual functionality; it functions to generate critical scale-up data in the transition from R&D to production to help eliminate issues at full production scale; and it also functions as a stand-alone manufacturing facility for low volume, high value products for our CRAMS customers. We have, in Fiscal 2023, expanded our R&D and Pilot Plant capacities by adding new fume hoods in R&D (which have increased from 17 in Fiscal 2022 to 55 in Fiscal 2023) and the reactors in Pilot Plant (which were over 100 in Fiscal 2022 to more than 200 in Fiscal 2023). We have one of the largest pilot plants in the world with 106 reactors installed, for both batch as well as continuous reaction technology *(Source: F&S Report)*.

In Fiscal 2021, Fiscal 2022 and Fiscal 2023, our expenditures (revenue and capital in nature) incurred on research and development were ₹192.83 million, ₹392.60 million and ₹501.39 million, respectively, which represented 4.29%, 6.65% and 7.70%, respectively, of our revenue from operations.

Long standing relationships with a diversified customer base

Our customers include over 280 multinational, global, regional and local companies. As of March 31, 2023, our product portfolio was sold to more than 50 global customers in 21 countries and to more than 230 domestic customers. Our marquee customer base included 227 customers from the pharmaceutical industry, 19 customers from the agrochemical industry, 4 from the oil and gas industry, 2 from coatings industry, 1 from textile industry, 21 from material sciences industry, 4 from high performance photography industry and 56 from other sectors.

Of our revenue from operations in Fiscal 2023, our largest customer contributed approximately 14.01%; our top 10 customers contributed approximately 54.94%; and our top 20 customers contributed 69.92%. We enjoy relationships in excess of 5 years with 7 out of our top ten 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 with stronger purchasing power for raw materials and a lower cost base. These enduring customer relationships also have helped us expand our product offerings and geographic reach. Of our revenue from operations in Fiscal 2023, 59.46% was from India, 27.99% was from EU countries, 8.77% was from the North America (United States and Mexico), 3.78% was from Asia (excluding India) and 0.00% was from the rest of the world. Our diversified global customer base assists us in reducing our geographic dependence, which helps in mitigating the effects of economic and industry-specific cycles.

Our customer engagements are dependent on us delivering quality products consistently. Our potential customers may require considerable amounts of time to approve us as suppliers to ensure that all their quality controls are met and that we meet all their requirements across a variety of jurisdictions and multiple regulators. Due to the resources involved in engaging with new suppliers, customers are less inclined to pursue alternate supply sources. This provides us with an advantage over new entrants that would need to make significant investments and endure a long gestation period with potential customers in order to effectively compete. In Fiscal 2023, our facilities were audited 27 times by 24 customers or their external auditors. Additionally, our growing CRAMS business model also enables us to interact directly with the top echelons of technical and research teams and leadership (chief technology officers, technical directors and technical vice presidents) of the global leading innovator and multi-national companies across the industry, opening up future contract manufacturing opportunities for our Company *(Source: F&S Report).*

In addition to producing quality products and fulfilling orders and projects on-time, our approach, staff and corporate culture are attractive to customers. For example,

1. we offer our customers a one-stop-shop approach for the entire supply chain starting from paper research, contract research and lab process development (delivery of samples, gram scale, kg scale), pilot plant scale up and supply of customer sampling quantities, clinical and field trial quantities, and application testing quantities (100s kg scale to MT quantities), and finally commercial scale manufacturing and production quantities (100-1000s MT);
2. we have skilled expertise and manpower in necessary scientific and engineering disciplines;
3. we have "start-up" corporate culture that is ambitious and dynamic, and the average age of our staff is 31 years as of March 31, 2023;
4. our core team and highest management is technical in nature, and experts in the areas of organic chemistry and chemical engineering;
5. we focus on transparent communication and clean payment terms (LCs and PDCs); and
6. we emphasize safe processes and inherently safe manufacturing, and sound QEHS principles.

Synergistic Business Models focused on Large Scale Manufacturing, CRAMS and Contract Manufacturing

We have three business models under which we operate: (i) large scale manufacturing of our own intermediates and speciality chemicals; (ii) CRAMS (contract research and manufacturing services) and (iii) contract / exclusive manufacturing. We are among the few Indian specialty chemical companies to have successfully launched these three separate business models, that is, Large Scale Manufacturing, Contract Research/ Exclusive Manufacturing, and CRAMS (Contract Research and Manufacturing Services), in just 5 years into commercial manufacturing *(Source: F&S Report)*.

These business models benefit from, and have synergies with, each other. For example, our customers to which we sell our own intermediates and speciality chemicals are also target customers for our CRAMS and contract manufacturing business models. Our CRAMS business allows us to work with innovative companies on cutting-edge new products with enhances our own R&D skill sets to develop our own products. Further, increasing our production through our contract manufacturing business allows us to benefit from larger scale production and negotiating better prices with our suppliers.

Automated manufacturing facilities utilizing advanced technologies and systems

Our manufacturing infrastructure, advanced technologies and automation are key growth drivers for our intermediates and speciality chemicals business. We have innovated the manufacturing process or product recipe for most of our products, thus making us leaders in many of our products we operate in *(Source: F&S Report)*. We have three sites at Sachin in Surat. Our Manufacturing Facility 1 is an approximately 3,500 square meters facility including our R&D Facilities, our analytical sciences laboratories, our Pilot Plant, our CRAMS facility and our hydrogenation facility. Our Manufacturing Facility 2 spans approximately 10,500 square meters and acts as a large scale manufacturing facility with an installed capacity of 6,096 MT per annum (for our solvent recovery plant ("**SRP Plant**"): 13,140 MT) distributed among three buildings that host 16 production streams (and one SRP Plant Stream), as of March 31, 2023. Our capacity utilization was 70.98% (for our SRP Plant: 69.44%) as of March 31, 2023, as certified by Dr. Pankaj Jayantilal Gandhi, Chartered Engineer. Our Manufacturing Facility 3 spans over land admeasuring 5,250 square meters and acts as a large-scale manufacturing facility with an installed capacity of approximately 3,500 MT per annum. See "—*Manufacturing and R&D Facilities*" below. Each of our facilities is equipped to function independently, with its own quality department, effluent treatment plant and warehouse. In addition, all the facilities are in close proximity to the Hazira Port and JNPT Port, which helps us save freight costs for our exports. We have also acquired additional land next to the existing Manufacturing Facility 3, with the intention of extending the Manufacturing Facility 3 which now consist of 10,500 square meters. We have entered into an agreement for acquiring land for Manufacturing Facility 4 of 5,250 square meters at Sachin. We have acquired land for the Manufacturing Facility 5 of 125,874.64 square meters at Panoli GIDC, Bharuch District, Gujarat. We have applied for the regulatory approvals for the Manufacturing Facility 5 and have started the wall fencing work.

We have also acquired additional land next to the existing Manufacturing Facility 3, with the intention of extending the Manufacturing Facility 3 which now consist of 10,500 square meters. We have entered into an agreement for acquiring land for Manufacturing Facility 4 of 5,250 square meters at Sachin. We have acquired land of 125,874.64 square meters on a long-term lease for the Manufacturing Facility 5 of 125,874.64 square meters at Panoli GIDC, Bharuch District, Gujarat. We have applied for the regulatory approvals for the Manufacturing Facility 5 and have started the wall fencing work.

We have, in Fiscal 2023, expanded our R&D and Pilot Plant capacities by adding new fume hoods in R&D (which have increased from 17 in Fiscal 2022 to 55 in Fiscal 2023) and the reactors in Pilot Plant (which were over 100 in Fiscal 2022 to more than 200 in Fiscal 2023).

Our facilities employ advanced technologies and systems such as:

- Continuous Reaction Technology;
- Advanced Batch Reaction Technology;
- High Pressure Reaction Technology;
- Fixed Bed Reaction Technology (Liquid / Gas Phase);
- Cryogenic Reaction Technology;
- Distillation Technology (wiped film and short path); and
- Distillation Technology (high vacuum and fractional).

Additionally, our manufacturing facilities utilize DCS (distributed control system) for process automation. Our Pilot Plant and CRAMS operations use a Siemens PCS7 DCS and our manufacturing facilities use a Yokogawa Centum VP DCS. The automation brings reliability, reproducibility of product quality, reduces overhead costs, and brings inherent safety by mitigating exposure to human error and industrial accidents. We also have procured the ISO 9001:2015 certification for our Manufacturing Facility 1 and the ISO 14001:2015, ISO 45001:2018, ISO 27001:2013 and GMP certifications for our major operations at our Manufacturing Facility 2. In furtherance of our move towards sustainable business operations in a phased manner, we have obtained membership of UN Global Compact. We have been awarded with silver medal of EcoVadis in Fiscal 2023. Further, we are also the members of the Indian Chemical Council, which dedicated to the growth and promotion of the Chemical Industry in India.

*Contract Research and Manufacturing Services ("**CRAMS**")*

Our CRAMS business are the services that our customers outsource to us and include:

- Contract research;
- Pilot scale-up services;
- Contract manufacturing;
- Full time equivalent services;
- Technology development; and
- Process development and optimisation

We have a state-of-art Pilot Plant, which gives us a competitive advantage in attracting CRAMS customers. Our Pilot Plant has a dual functionality; it functions to generate critical scale-up data in the transition from R&D to production to help eliminate issues at full production scale; and it also functions as a stand-alone manufacturing facility for low volume, high value products for our CRAMS customers. Our Pilot Plant encompasses a wide range of reactors and downstream equipment, in both continuous and batch regimes, across the entire range of scale-up volumes, metallurgy, and process parameters and is automated through DCS process automation.

Our CRAMS customers work jointly with our scientists and engineers, and we execute their projects in our R&D Facilities, analytical sciences laboratories, and our Pilot Plant. Molecules developed in our CRAMS business for our customers have the potential to convert into regular commercial supplies and become large scale manufacturing products for our Company. In addition, our growing CRAMS business model also enables us to interact directly with the top echelons of technical and research teams and leadership (chief technology officers, technical directors and technical vice presidents) of the global leading innovator and multi-national companies across the industry, opening up future contract manufacturing opportunities for our Company *(Source: F&S Report).*

Contract Manufacturing / Exclusive Manufacturing

We also manufacture our customers' products under a contractual supply agreement-based model. These customer contracts are both short-term and long-term and involve both exclusive and non-exclusive arrangements. In Fiscal 2021, Fiscal 2022 and Fiscal 2023, revenues from our contract manufacturing business constituted 19.38%, 23.77% and 34.31%, respectively, of our revenues from operations. For example, we manufacture MMBC under a contractual supply agreement. MMBC was our largest product by revenue (₹976.42 million) and fourth largest-by volume (331.20 MT) in Fiscal 2023. *(Source: F&S Report)*

Examples of CRAMS Business Model leading to Contract Manufacturing / Exclusive Manufacturing Business Model

For example, our production of Delta-valerolactone (DVL), started as a CRAMS project for a major multinational client in the material sciences and coatings industrial sector. The customer had a single source for DVL and wanted to develop alternate sources. The customer initiated a CRAMS project with us. Within 12 months, we successfully developed the process to make DVL, utilizing our core chemistry competency of heterogeneous catalysis and our core technology competencies of continuous reaction technology, fixed bed reactor technology, and gas phase reaction technology. The CRAMS project ended with successful process development and the supply of a pilot scale quantity of 400 kg to the customer which was successfully validated. Subsequently, the customer has entered into a multi-year supply agreement with us for the commercial manufacturing and supply of the product of approximately 100 to 200 MT per year.

Another example of a CRAMS project converted into large scale manufacturing opportunity is a polymer product that started as a CRAMS project with a major multinational oil & gas company. The project started as a small research and CRAMS project, which we successfully executed utilizing our core chemistry competencies of inert atmosphere chemistry, homogeneous catalysis, and polymerization chemistry as well as Company's core technology competencies of high pressure reaction technology and continuous distillation technology / wiped film distillation technology. The entire CRAMS project was executed in less than 6 months, and subsequently this customer has entered into a 5 years supply agreement with us for large scale production and supply of the polymer product of approximately 100 MT per year.

Focus on Quality, Environment, Health and Safety

Our business is focused on sustainability by emphasizing on quality, environment, health and safety.

We believe that maintaining a high standard of quality for our products is critical to our brand and continued growth. Across our manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Our products adhere to global quality standards. Our products go through various quality checks at various stages including random sampling check and quality check internally. Many of our key customers have audited and approved our facilities and manufacturing processes in the past, which ensures that the regulator and our customers are able to confirm the continuance of quality of our facility and processes. In Fiscal 2023, our facilities were audited 27 times by 24 customers or their external auditors. In addition, our Manufacturing Facility 1 and Manufacturing Facility 2 have received certificate of ISO 14001 for Environment and ISO 45001 for Occupational Safety and ISO 27001 certification. As of March 31, 2023, we had an environmental team of 46 employees (constituting 5.17% of our workforce), 48 employees as part of our quality control and quality assurance team (constituting 5.39% of our workforce) and a safety team of 38 employees (constituting 4.27% of our workforce).

We are mindful of the potential impact of our activities on the local environment and have set stringent environmental standards, which meet regulatory requirements, and often exceed them. Our manufacturing principles and technologies embody the core tenets of “green” chemistry or sustainable chemistry. Principles of energy saving and conservation, atom economy and the 4R strategy (reduce / recover / recycle / reuse) are fundamental in our manufacturing designs and engineering. In addition, by employing cleaner chemistries, semi-continuous or continuous reaction technologies, and automation in the process, we distinguish our processes from conventional processes and optimize use of non-toxic raw materials, resulting in lower effluent generation. Further, as part of environment and sustainability efforts, we have installed a 100 KLPD in-house zero liquid discharge (ZLD) plant, which includes primary and secondary chemical neutralization, triple stage multiple effect evaporator (MEE), multiple mechanical vapor recompression (MVR) plants, multiple agitated thin film evaporators, multiple reverse osmosis (RO) plants and a soil biotechnology platform with ozonation.

To provide sustainable power for our operations, we have constructed a 16 MW solar power generation plant at Sarod Village, Bharuch District, Gujarat to provide electricity to our current operational three manufacturing facilities, which became operational in Fiscal 2023. We incurred approximately ₹ 651.59 million (including taxes) towards capital expenditure for this solar power project which was financed by our internal accruals. This Solar Power plant will cater to the day units of our electricity for Manufacturing Facility 1, Manufacturing Facility 2 and Manufacturing Facility 3 and will allow us to save considerable amount of our total electricity expenses at these three sites.

We prioritize the health and safety of our employees and undertake several initiatives to promote employee health and quality of life. We work to ensure a safe and healthy workplace and provide our employees with the benefits, resources and flexibility to maintain and improve their wellness. We undertake hazard and operability studies before commencing commercial production of new products. We have an in-house developed and engineered mobile application to assist coordination of our human resources, safety and emergencies. We also have a dedicated team of safety personnel including firemen, safety marshals and safety engineers. In addition, we have installed comprehensive safety equipment including firefighting and safety systems including 700 m^3 fire hydrant water storage, 271 m^3 main electrical pump and diesel pump, automated foam monitors and water sprinklers, and Pulse Position Modulation (PPM) detection for gas and solvent leakage. Our plant wide DCS automation system allows us to control our safety systems and processes. We have also taken the initiative of combining the fire hydrant water resources of 3 other neighbouring chemical companies to create a combined fire hydrant water reserve of over 2,000 m^3 capacity, available for the use of all participating companies.

Strong and consistent financial performance

In the short period of ten years of incorporation and six years into commercial manufacturing, we have reached revenue from operations of over ₹6,510.74 million in Fiscal 2023. We have built our business organically and have demonstrated consistent growth in terms of revenues and profitability. We are one of the fastest growing specialty chemical companies in India, growing at a CAGR of nearly 43.11% between Fiscal 2018 and Fiscal 2023 *(Source: F&S Report)*. Our revenue from operations have increased at a CAGR of 20.31% from ₹4,498.16 million in Fiscal 2021 to ₹6,510.74 million in Fiscal 2023. Our revenue from exports (including deemed exports) have grown at CAGR of 33.65% from ₹2,516.62 million in Fiscal 2021 to ₹4,495.04 million in Fiscal 2023.

In Fiscal 2021, Fiscal 2022 and Fiscal 2023, our operating EBITDA was ₹1,121.59 million, ₹1,681.07 million, and ₹1,862.51 million, respectively, while our operating EBITDA margins (excluding other income) in the same fiscals were 24.93%, 28.49% and 28.61%, respectively. Our profit after tax was ₹711.19 million, ₹1,089.29 million, and ₹1,304.15 million, for Fiscal 2021, Fiscal 2022 and Fiscal 2023, respectively, while our profit after tax margins were 15.67%, 18.25% and 19.53%, respectively, for the same fiscals.

During Fiscal 2021, Fiscal 2022 and Fiscal 2023, our ROCE was 28.50%, 23.96% and 14.28%, respectively, and our ROE was 40.79%, 28.16% and 10.48%, respectively.

Experienced Promoters and Senior Management with extensive domain knowledge

We are led by our Promoters comprising our Managing Director, Ashwin Jayantilal Desai, and our executive directors Purnima Ashwin Desai, Rohan Ashwin Desai and Dr. Aman Ashvin Desai, who have a combined experience of over 125 years in the chemical industry. Each of our Promoters is a career-technocrat and is actively involved in the critical aspects of our business, including R&D, process and plant engineering, finance and marketing. All four Promoters are involved in the day-to-day management of our Company.

Ashwin Jayantilal Desai is the founding Promoter and Managing Director of our Company. He holds a bachelor's degree in Chemical Engineering from Institute of Chemical Technology (ICT, formerly University Department of Chemical Technology, UDCT, Mumbai, 1974). He has been awarded the Distinguished Alumnus award by Indian Chemical Technology in 2010. Ashwin Desai has multiple decades of experience in the speciality chemical industry. Prior to incorporation of our Company, he was the founding member of Anupam Rasayan India Limited and was the Chairman and Managing Director of Anupam Rasayan India Limited till 2013. At our Company, Ashvin Desai is responsible for creating the overall vision of our Company and is actively involved in all techno-commercial departments. He focuses on innovative chemical engineering solutions for our R&D, pilot plant, and production processes and is also responsible for leading our core competency in continuous reaction and flow technology.

Dr. Aman Ashvin Desai is a Promoter and Whole Time Director of our Company. He is responsible for our R&D, pilot plant, and production operations, new projects, and technical business development, and has over ten years of experience in the speciality chemical industry. Dr. Aman Desai has a bachelor's degree in Chemical Technology (Intermediates and Dyestuff Technology, 2005) from Institute of Chemical Technology (ICT formerly known as University Department of Chemical Technology, UDCT, Mumbai) and has a Doctor of Philosophy (PhD) degree in Organic Chemistry (with a focus on chiral chemistry) from Michigan State University (USA, 2010). His doctoral research was published in the Journal of the American Chemical Society and was also featured in Chemical & Engineering News in 2010. Dr. Aman Desai was then a Project Leader in the Process Development group in Core R&D Headquarters at the Dow Chemical Company in Michigan (USA). Dr. Aman Desai has been awarded the UAA Young Achiever Award in 2018 in the UAA-ICT Distinguished Alumnus Awards from his alma mater, Institute of Chemical Technology, Mumbai, India. He is the author/co-author of 25 publications in international technical journals. He has been granted 4 patents in USA, and these patents are published worldwide. In Fiscal 2023, Dr. Aman was awarded with BW Disrupt 40 under 40 Achievers Award and he is now a part of the Elite Club of BW Disrupt Future Master 2022.

Rohan Ashwin Desai is a Promoter and Whole Time Director of our Company. He has extensive experience in the speciality chemical industry and looks after the entire commercial portfolio (including sales, finance, strategic procurements, human resources and systems) of our Company. He has a bachelor's degree in commerce (special) from South Gujarat University, Surat. Rohan Desai was previously a Director at Anupam Rasayan India Limited until 2013.

Purnima Ashwin Desai is a Promoter and Whole Time Director of our Company. With multiple decades of experience in the speciality chemical industry, she leads the overall accounting and finance operations of our Company. She has a bachelor's degree from the University of Delhi (1975). Purnima Desai was previously a Director at Anupam Rasayan India Limited until 2013.

We additionally benefit from the industry experience of Kamalvijay Ramchandra Tulsian, Non-Executive Director, Chairman of our Board, bringing experience in the chemicals business; Jeevan Lal Nagori, Non-Executive Independent Director, bringing experience in the pharmaceutical business; Arun Brijmohan Kanodiya (qualified Chartered Accountant), Non-Executive Independent Director; Leja Satish Hattiangadi, Non-Executive Independent Director, bringing experience in project implementation; Ishita Surendra Manjrekar, Non-Executive Director bringing extensive knowledge about construction and related chemical industries; Dr. Amol Arvindrao Kulkarni, Non-Executive Independent Director, bringing extensive knowledge about continuous reaction technologies; Rajkumar Mangilal Borana, Non-Executive Independent Director; and Jitendra Popatlal Vakharia, Non-Executive Independent Director, bringing their experience in textile industry and chemical industry, respectively.

Our senior management team is also experienced in the chemicals industry. The majority of our management team have spent more than 5 years each with our Company. Our senior management personnel include career-technocrats such as Dr. James Ringer, Raymond Paul Roach and Dr. Norbert Flüggen.

Dr. James Ringer is the Business Development Leader (Americas) of our Company. He holds a bachelor's degree in Science from Purdue University (USA) and a Doctor of Philosophy (PhD) degree in Organic Chemistry from University of Wisconsin (USA). He has multiple decades of experience in the chemical industry. Before joining our Company, Dr. James Ringer has previously worked at The Dow Chemical Company or its subsidiaries, for more than 30 years, in various positions including Director R&D, R&D Director II, and Leader R&D Director. He is the inventor / co-inventor on 22 patents granted in USA and published worldwide.

Raymond Paul Roach is the Business Development Leader (Americas) of our Company. He holds a bachelor's degree in Science and a master's degree in Chemical Engineering from the University of Pittsburgh (USA). He has multiple decades of experience in the chemical industry. Before joining our Company, Raymond Paul Roach has previously worked at The Dow Chemical Company (USA). Raymond Paul Roach is the inventor / co-inventor on 7 patents granted in USA and published worldwide.

Dr. Norbert Flüggen is the Business Development Leader (Europe) of our Company. He holds a diploma in Physics and a Doctorate of Natural Sciences (PhD) degree from the University of Hannover (Germany). He has multiple decades of experience in the chemical industry. Before joining our Company, Dr. Norbert Flüggen has previously worked at with ALTANA, AG, Germany.

We believe that the experience, depth and diversity of our directors, management team and our Promoters have enabled our Company to be recognized as a leading speciality chemical manufacturer in India. Their industry experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences.

For further information on our Promoters, Directors and senior management team, please see the section entitled *"Board of Directors and Key Managerial Personnel"* on page 245.

Our Strategies

Our key business strategies are set forth below.

Leverage our strong position in the speciality chemicals industry to capitalize on industry opportunities

From CY 2022 to CY 2028, the global chemicals market is expected to grow at a CAGR of 4.3% and the India Speciality chemical market at a CAGR of 10.3%, according to the F&S Report. This growth is expected to be led by sustained demand in the end-use customer segments for our intermediate and speciality chemical products or business, which are experiencing consumption-led growth in India and key global markets. For example, the agrochemicals and fertilizers speciality chemical segment in India is forecasted to grow from $30.2 billion in CY2022 to $56.2 billion in CY2028 and the pharmaceuticals speciality chemical segment in India is forecasted to grow from $12.4 billion in CY2022 to $24.7 billion in CY2028 *(Source: F&S Report).*

China's speciality chemicals market has seen a downturn in recent years due to various factors. Most prominent amongst these are the recent environmental norms introduced by the Chinese Government, which have led to shutdown of a number of chemical plants *(Source: F&S Report)*. The tightening of the environmental norms has resulted in increase in operating costs, closure and relocation of manufacturing facilities along with rising labor costs. While these may not be permanent trends, these will involve significant costs of production for Chinese companies, enabling India to significantly strengthen its position in the global supply chain and position itself as a viable alternative for global players seeking a de-risked supply chain while retaining sourcing costs *(Source: F&S Report)*. The recent downturn observed in China's speciality chemicals industry is serving as an opportunity for Indian manufacturers, who have now gained a cost advantage over their Chinese counterparts *(Source: F&S Report)*.

Due to our market leadership position in a number of speciality chemical product areas, we are well positioned to capitalize on these market opportunities. The revenue for key products has grown much faster than the industry highlighting that we are able to take away market share from our competitors, which are mostly in China *(Source: F&S Report)*. We benefit from our established relationships with multinational, regional and local customers. In particular, we propose to introduce new products with varied applications across industries. We aim to achieve this by leveraging our existing R&D capabilities, as well as by evaluating strategic acquisition opportunities. We also intend to capitalize on the growing demand for our products by expanding our manufacturing capacities and strengthening our sales and distribution network in existing markets and gaining access to newer markets. For example, we are committed to recruitment of advisers and consultants with a global pedigree, we have speaking engagements at international events & exhibitions, and we are increasing our local representative presence in major markets. Further, we aim to focus on high growth sectors and emerging trends in the speciality chemicals and our customers' end user industries. In this regard, we are witnessing significant opportunities to work with our customers to support them with new emerging trends in their industries. We also are looking to connect with existing and potential customers where we can support them with our CRAMS and contract / exclusive business models.

Expand our Product Portfolio and diversify into additional business segments

We plan to continue to expand our product portfolio both in line with our existing new competencies but also by adding new competencies. In the next three years, we expect to invest approximately ₹600.00 million towards R&D in the first year with an increasing trend of 10% to 15% in the next two years.

In addition, we intend to continue to add new core chemistry and technology competencies, which will lead to additional product line developments. For example, our R&D team is already evaluating the possibilities of adding fluorination as a core chemistry competency and photochemical reaction technology as a core technology competency.

We are also looking to diversify into additional business segments. For example, we are considering producing pharmaceutical active ingredients ("**APIs**"), which represents a forward integration for us from our current product spectrum of advanced intermediates. In such APIs, we would produce the key advanced intermediates ourselves and, thus, we will be backward integrated all the way to commodity chemicals. Another segment we are actively considering is the advanced organic silicone products market, which lends itself into high-end high-value applications in material sciences, coatings, advanced electronics and other similar applications.

Expand Manufacturing, R&D and Pilot Plant Capacities

To cater to the growing demand from our existing customers and to meet requirements of new customers, we intend to, and are in the process of, expanding our manufacturing capacities for existing products including 4MEP, BFA, other existing products, along with the new products launched at our Manufacturing Facility 3. We also intend to add manufacturing capacities for our new product line (discussed above) that we are in the process of developing and commercializing.

To achieve these expanded capacities, in August 2021, we commenced construction of a new manufacturing facility at a third site near our existing manufacturing facilities in Sachin. This new facility hosts four streams for production of new speciality chemicals and intermediates, which have applications in pharmaceutical, agrochemicals and material sciences. Manufacturing Facility 3 was commissioned and operational from January 2023 and we intend on further expanding the operations in our Manufacturing Facility 3 in Fiscal 2024.

Further, we have also acquired additional land next to the existing Manufacturing Facility 3, with the intention of extending the Manufacturing Facility 3 which now consist of 10,500 square meters. We have entered into an agreement for acquiring land for Manufacturing Facility 4 of 5,250 square meters at Sachin. We have acquired land of 125,874.64 square meters on a long-term lease for the Manufacturing Facility 5 at Panoli GIDC, Bharuch District, Gujarat. We have applied for the regulatory approvals for the Manufacturing Facility 5 and have started the wall fencing work.

We have, in Fiscal 2023, expanded our R&D and Pilot Plant capacities by adding new fume hoods in R&D (which have increased from 17 in Fiscal 2022 to 55 in Fiscal 2023) and the reactors in Pilot Plant (which were over 100 in Fiscal 2022 to more than 200 in Fiscal 2023).

We also intend to start the construction and expansion at the Manufacturing Facility 4 (first phase) in Fiscal 2024. Our Company has in Fiscal 2023, also added a warehouse admeasuring 1,484 square meters at Plot No. C-24/10, Hojiwala Industrial Estate, Sachin, Surat – 394 230, Gujarat, India.

In addition, we look to build strategic alliances with innovator companies across end-user industries. We expect that projects that may begin as CRAMS projects will lead to strategic associations for commercial large-scale manufacturing of products and possibly introducing additional manufacturing capacity.

Continue to strengthen our presence in India and expand our sales and distribution network in international markets

As of March 31, 2023, our product portfolio catered to more than 50 global customers in 21 countries and to more than 230 domestic customers. We enjoy relationships in excess of 5 years with seven out of our top ten customers in Fiscal 2023. We believe that the long-standing relationships that we have enjoyed with our customers over the years and the repeat and increased orders received from them are an indicator of our position as a preferred source as compared to our competition which is mostly located in China. In addition, we have an international sales and marketing team and business development team that is dedicated to taking new orders, quoting rates and aids in understanding the requirements of our customers. Our team consists of veterans of chemical industry, namely Raymond Paul Roach (Business Development Leader – Americas); Dr. James Ringer (Business Development Leader – Americas); and Dr. Norbert Flüggen (Business Development Leader – Europe).

Our new business development and marketing / sales is conducted with physical presence in 3 different continents (Asia / India by HQ, Europe / Germany by Dr. Norbert Flüggen, North America / USA by Dr. James Ringer and Raymond Paul Roach).

We intend to focus on increasing our wallet share with existing customers. We have built long-standing relationship with our customers through various strategic endeavours, which we intend to leverage by selling baskets of products to the same customers. In addition, we intend to continue to leverage our existing sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new multinational, regional and local customers.

We are expanding globally to serve our existing direct end-use customers as well as to secure new direct end-use customers and expand the reach of our products in new markets. We intend to achieve this by having dedicated sales and marketing teams whose primary focus will be on business development in international markets and in certain focus geographies, such as North America, South America and Europe. Our focus also will be to increase the number of stock points that we have globally and strengthen our sales team in India, North America, South America and Europe to ensure that we are able to deliver products to our customers in a timely manner.

Continue to focus on contract manufacturing / exclusive manufacturing by developing innovative processes and value engineering

We look to convert R&D (CRAMS) opportunities provided by our clients into large-scale contract manufacturing projects. We believe that by offering value engineering, developing innovative processes and undertaking our core competency chemistries in our contract manufacturing / exclusive manufacturing operations allows us to enter into long-term contracts with customers that provide assured product off-take and better margins, thereby helping improve our profitability. We aim at differentiating our operations from other CRAMS companies by developing in-house innovative processes, which we believe provides us with a better leverage in terms of pricing with the customers. Accordingly, we intend to continue developing in-house innovative processes for new complex chemistries, such as, glove box chemistries, Nobel prize winning metathesis chemistry and organo-silicon chemistry. We also continuously explore which of our existing products or processes are best suited for further innovation.

Further, we seek to continue to explore opportunities to enhance our existing customer relationships by undertaking CRAMS for new molecules. We believe our focus on value engineering by extending our process and chemistry expertise to enter into new value chains and replace the lower value products with higher value products in the same chemistry will enable us to service more of our customers' needs and increase our revenues from existing customers. By leveraging the long-standing relationships and repeat orders from our customers, we intend to capitalize on the significant cross-selling opportunities that higher value products offer. Further, we intend to focus on early-stage process innovation and development that we believe will enable us to capitalize on the complete lifecycle of these products and give us the opportunity to be the initial suppliers for such customized speciality chemicals and strengthen our relationships with multinational corporations.

Growth through strategic acquisitions and alliances

We will look for strategic acquisition targets in the United States and the EU for R&D and manufacturing assets that are in line with our existing or desired competencies. We also will look for opportunities to acquire businesses to add additional chemistry or technology competencies (for example, photochemistry) or to add business segments where we are currently not present (for example, cytotoxic compounds, advanced silicone products or active pharmaceutical ingredients and formulations). We are focused on identifying acquisition targets that will benefit from our management expertise, our core competencies and the scale of our operations.

Our Products and Services

We organize our business based on three business models: (i) large scale manufacturing of our own speciality chemicals and intermediates, (ii) CRAMS (contract research and manufacturing services) and (iii) contract manufacturing/exclusive manufacturing.

Speciality Chemicals and Intermediates

We specialize in speciality chemicals and advanced intermediates products based on an intricate marriage of complex chemistry, technology and systems core competencies. Examples of our chemistry core competencies include Grignards, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (homogeneous /heterogeneous), exothermic chemistry, cross coupling chemistry and olefin metathesis/polymerization chemistry. Examples of our technology and systems core competencies include continuous reaction technology, high pressure reaction technology, fixed bed reaction technology, continuous reaction technology, batch reaction technology, high pressure reaction technology, fixed bed reaction technology, cryogenic reaction technology, distributed control system ("**DCS**") process automation and high vacuum distillation technology (wiped film/short path). By our focus on 8x8 matrix of core competencies we have developed in-house from scratch, we have developed a chemistry and technology oriented sales vision, to cater to various segments of the chemical industry, as compared to a product and industry oriented sales vision. Our focus on core competencies also helps us mitigate risk because our business strategy and R&D are not targeted to any specific product, customer, region, or industry.

Our product selection process is very simple and straightforward. We look for products which fall into our core competencies of chemistry, technology and systems, and select the product which falls into our sweet spot. We then apply certain refinements to narrow down our product selection process, which are: (i) the product should be infrastructure oriented product, focused on our core competencies of chemistry, technology and systems, and falling into a speciality chemical field with minimum of 4-synthetic step sequence, (ii) the product should not be actively manufactured by any company in India, (iii) the product should generate adequate revenue at maturity and (iv) we should be able to attain market leading position at product maturity. If product passes all these parameters, then we select that product for R&D, scale it up in our Pilot Plant, validate it and then produce it for commercialization.

As of March 31, 2023, our product portfolio comprised over 28 products, which have been developed and commercialized using these criteria in the 10 year period since we started our Company. Our products are advanced intermediates and speciality chemicals, which occupy a position in the chemical industry value chain between commodity chemicals and final actives and formulations. They find application in a number of therapeutic segments in the pharmaceuticals industry including hypertension, anti-platelet, anti-psychotic, anti-histamine and nonsteroidal anti-inflammatory drugs ("**NSAIDs**"). Our products also find application in various other industries like agrochemicals, material science, coatings, high performance photography, additives and oil & gas.

Major Products

The following table sets forth our major products, their application, and their therapeutic segments.

Product	Launch Month / Year	Application	Therapeutic or other use
4-(2-Methoxyethyl) Phenol **(4MEP)**	December 2016	Metoprolol Succinate / Metoprolol Tatrate	Hypertension
N-Octyl-D-Glucamine / 1-Deoxy-1-(Octylamino)-D-Glucitol (**NODG**)	July 2015	Naproxen, Dexketoprofen APIs	NSAID
Ortho Tolyl Benzo Nitrile / 4'-Methyl-2-Cyanobiphynyl **(OTBN)**	December 2018	Valsartan, Telmisartan, Olmesartan, Losartan, Candisartan APIs	Hypertension
Thiophene-2-Ethanol **(T2E)**	May 2017	Clopidogrel, Ticlopidine APIs	Anti-Platelet
1-2-(2Hydroxyethoxy) Ethyl Piperazine **(HEEP)**	May 2018	Quetiapine, Hydroxyzine APIs	Anti-Psychotic Anti Histamine
Delta-Valerolactone (**DVL**)	September 2016	Coating additive Monomer electronic chemical	Coatings

(Source: F&S Report)

Customer Segments

The table set forth below provides customer segment split of our revenue from operations and as a percentage of revenue from operations in Fiscal 2021, Fiscal 2022 and Fiscal 2023.

Customer Segment	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	₹ million	% of revenue from operation	₹ million	% of revenue from operation	₹ million	% of revenue from operation
Pharmaceuticals	3,041.90	67.62%	3,513.26	59.54%	2,744.05	42.15%
Agrochemicals	926.50	20.60%	1,456.19	24.68%	2,261.72	34.74%
Material Science	195.90	4.36%	248.20	4.21%	319.33	4.90%
High Performance Photo	125.80	2.80%	283.77	4.81%	371.85	5.71%
Coatings	124.80	2.77%	195.31	3.31%	218.35	3.35%
Multiple Use	82.66	1.84%	126.66	2.15%	567.63	8.73%
Food Additives	0.60	0.01%	22.96	0.39%	3.55	0.05%
Oil & Gas	0.00	0.00%	54.12	0.92%	24.26	0.37%
Other	0.00	0.00%	0.00	0.00%	0.00	0.00%
Total	**4,498.16**	**100.00%**	**5,900.47**	**100.00%**	**6,510.74**	**100.00%**

Contract Research and Manufacturing Services ("CRAMS")

Our CRAMS business are the services that our customers outsource to us and include:

- Contract research;
- Pilot scale-up services;
- Contract manufacturing;
- Full time equivalent services, where one or more of our employees work full time on the project;
- Technology development; and
- Process development and optimisation.

Our CRAMS customers work jointly with our scientists and engineers, and we execute their projects in our R&D Facilities, analytical sciences laboratories, and our Pilot Plant. Molecules developed in our CRAMS business for our customers have the potential to convert into regular commercial supplies and become large scale manufacturing products for our Company.

In Fiscal 2021, Fiscal 2022 and Fiscal 2023, revenues from our CRAMS business constituted 7.98%, 8.12% and 12.54%, respectively, of our revenues from operations.

Contract Manufacturing / Exclusive Manufacturing

We also manufacture our customers products under a contractual supply agreement based model. These customer contracts are both short-term and long-term and involve both exclusive and non-exclusive arrangements. In Fiscal 2021, Fiscal 2022 and Fiscal 2023, revenues from our contract manufacturing business constituted 19.38%, 23.77% and 34.31%, of our revenues from operations.

Products manufactured as part of our contract manufacturing business are set forth in the table below.

Product	**Launch Month / Year**	**Application**	**Therapeutic or other use**
3-Methoxy-2-Methylbenzoyl Chloride (**MMBC**)	September 2019	Methoxyfenozide	Agrochemical Insecticide
2-Methoxy-6-Chlorotoulene	February 2020	Methoxyfenozide	Agrochemical Insecticide
Bifenthrin Alcohol	August 2021	Bifenthrin	Agrochemical

(Source: F&S Report)

Our Customers

Our customers include more than 280 multinational, global, regional and local companies. As of March 31, 2023, we sold our products to more than 50 global customers in 21 countries and to more than 230 domestic customers. Our marquee customer base included 227 customers from the pharmaceutical industry, 19 customers from the agrochemical industry, 4 from the oil and gas industry, 2 from coatings industry, 1 from textile industry, 21 from material sciences industry, 4 from high performance photography industry and 56 from other sectors.

Of our revenue from operations in Fiscal 2023, our largest customer contributed approximately 14.01%; our top 10 customers contributed approximately 54.94%; and our top 20 customers contributed 69.92%. We expect that we will continue to be reliant on our major customers for the foreseeable future.

We have a number of supply arrangements which are linked to a formula-based pricing structure and are valid for a few months, ranging from one month to six months. Our supply arrangements with customers may be terminated at the end of their terms or on the basis of the notice provided by the customer to us. Such termination, however, is done on mutual discussion between our Company and the customers. Notwithstanding, the termination of supply arrangements could adversely affect our business, financial condition and results of operations.

For other customers, we instead rely on purchase orders to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories.

Exports

We export our products to 21 countries. Some of the key geographies to which we export our products include Italy, Spain, Germany, Netherlands, Singapore and the United States. During Fiscal 2021, Fiscal 2022 and Fiscal 2023, our sales from exports (excluding deemed exports), as a percentage of our revenue from operations were 50.65%, 47.11% and 44.85%, respectively. In Fiscal 2023, the percentage of our revenue from operations from exports, including deemed exports and sales to SEZ, were 69.04% and domestic sales was 30.96% .

Our sales from exports are denominated in foreign currencies, mostly the U.S. Dollars. Therefore, changes in the relevant exchange rates could also affect our sales as reported in Indian Rupees as part of our financial statements. While we hedge a portion of the resulting net foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. Dollar and the Indian Rupees.

Geographic Split of Revenue from Operations

The table set forth below provides geographic split of our revenue from operations and as a percentage of revenue from operations in the Financial Years ended Fiscal 2021, Fiscal 2022 and Fiscal 2023.

Geography	**Fiscal 2021**		**Fiscal 2022**		**Fiscal 2023**	
	₹ million	**% of revenue**	**₹ million**	**% of revenue**	**₹ million**	**% of revenue**
India (domestic sales)	1,981.54	44.10%	2,084.84	35.30%	2,015.70	30.96%
India (deemed exports)	238.37	5.30%	1,031.36	17.50%	1,574.66	24.19%
India (SEZ sales)	380.84	8.50%	351.72	6.00%	281.07	4.32%
Italy	725.30	16.10%	533.57	9.00%	976.57	15.00%
Spain	389.57	8.70%	504.96	8.60%	120.00	1.84%
Germany	237.27	5.30%	377.45	6.40%	266.57	4.09%
Rest of Europe	131.27	2.90%	371.71	6.30%	458.95	7.05%
United States	211.68	4.70%	227.81	3.90%	519.38	7.98%
Taiwan	64.92	1.40%	90.37	1.50%	0.66	0.01%
Mexico	47.80	1.10%	140.70	2.40%	51.42	0.79%
China	28.73	0.60%	90.17	1.50%	105.16	1.62%
Japan	37.79	0.80%	71.26	1.20%	67.70	1.04%
Rest of the world	23.08	0.50%	24.56	0.40%	72.90	1.11%
Total	**4,498.16**	**100.00%**	**5,900.47**	**100.00%**	**6,510.74**	**100.00%**

Note:
"Deemed Exports" refer to those transactions in which the goods supplied do not leave the country, and the payment for such supplies is received either in Indian Rupees or in free foreign exchange.

Manufacturing and R&D Facilities

Our manufacturing infrastructure, advanced technologies and automation are key growth drivers for our intermediates and speciality chemicals business. We have three sites at Sachin in Surat. Our Manufacturing Facility 1 is an approximately 3,500 square meters facility including our R&D Facilities, our analytical sciences, our Pilot Plant, our CRAMS facility and our hydrogenation facility. Our Manufacturing Facility 2 spans approximately 10,500 square meters and acts as a large scale manufacturing facility with an installed capacity of 6,096 MT per annum (for our solvent recovery plant ("**SRP Plant**"): 13,140 MT) distributed among three buildings that host 16 production streams (and one SRP Plant Stream), as of March 31, 2023. Our capacity utilization was 70.98% (for our SRP Plant: 69.44%) as of March 31, 2023, as certified by Dr. Pankaj Jayantilal Gandhi, Chartered Engineer. Our Manufacturing Facility 3 spans over land admeasuring 5,250 square meters and acts as a large-scale manufacturing facility with an installed capacity of 3,500 per annum. See "*—Manufacturing and R&D Facilities*" below. Each facility is equipped to function independently, with its own quality department, effluent treatment plant and warehouse. Each facility is automated with DCS process automation, and built to the high standards of technology, engineering and automation. All the facilities are in close proximity to the Hazira Port and JNPT Port, which helps us save freight costs for our exports. We have also acquired additional land next to the existing Manufacturing Facility 3, with the intention of extending the Manufacturing Facility 3 which now consist of 10,500 square meters. We have entered into an agreement for acquiring land for Manufacturing Facility 4 of 5,250 square meters at Sachin. We have acquired land for the Manufacturing Facility 5 of 125,874.64 square meters at Panoli GIDC, Bharuch District, Gujarat. We have applied for the regulatory approvals for the Manufacturing Facility 5 and have started the wall fencing work.

Capacity Production and Utilization

The following tables set forth our installed capacity, actual production and utilization for our manufacturing facilities as of, and for Fiscals 2021, 2022 and 2023. The information in the table has been certified by Dr. Pankaj Jayantilal Gandhi, Chartered Engineer, by certificate dated June 19, 2023.

Plant	As of, and for the period ended, March 31, 2023			As of, and for the period ended, March 31, 2022			As of, and for the period ended, March 31, 2021		
	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	179.52	37.40	480.00	438.05	91.26	480.00	452.09	94.19
Stream 2	420.00	377.42	89.86	420.00	337.70	80.40	420.00	412.58	98.23
Stream 3	900.00	786.90	87.43	900.00	883.82	98.20	900.00	542.50	60.28
Stream 4	336.00	325.46	96.86	336.00	308.14	91.71	336.00	259.09	77.11
Stream 5	240.00	228.95	95.40	240.00	239.18	99.66	240.00	220.39	91.83
Stream 6 + 7	480.00	345.08	71.89	480.00	367.17	76.49	480.00	421.56	87.83
Stream 8	384.00	166.27	43.30	384.00	332.09	86.48	384.00	327.90	85.39
Stream 9	252.00	234.91	93.22	252.00	185.02	73.42	252.00	139.77	55.46
Stream 10	192.00	149.25	77.73	192.00	104.12	54.23	192.00	102.00	53.13
Total (A)	**3,684.00**	**2,793.75**	**76.83**	**3,684.00**	**3,195.30**	**86.73**	**3,684.00**	**2,877.88**	**78.12**
Intermediate Building - 02									
Stream 1	576.00	485.33	84.26	576.00	440.31	76.44	576.00	422.17	73.29
Stream 2	420.00	278.32	66.27	420.00	256.70	61.12	420.00	251.80	59.95
Total (B)	**996.00**	**763.65**	**76.67**	**996.00**	**697.01**	**69.98**	**996.00**	**673.97**	**67.67**
Intermediate Building - 03									
Plant 1	660.00	552.86	83.77	660.00	550.00	83.33	660.00	160.80	97.45
Plant 2	312.00	107.20	34.36	312.00	289.61	92.82	312.00	-	0.00
Plant 3	84.00	55.34	65.88	84.00	12.28	14.62	84.00	-	0.00
Plant 4	360.00	54.40	15.11	360.00	62.00	17.22	360.00	-	0.00
Total (C)	**1,416.00**	**769.80**	**54.36**	**1,416.00**	**913.90**	**64.54**	**1,416.00**	**160.80**	**45.42**
Total Capacity (A+B+C)	**6,096.00**	**4,327.20**	**70.98**	**6,096.00**	**4,806.20**	**78.84**	**6,096.00**	**3,712.65**	**81.20**
Solvent Recovery Plant (SRP Plant)(6)	13,140.00	9,124.97	69.44	13,140.00	9,977.42	75.93	13,140.00	1,598.52	72.98

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 specialty chemicals industry after examining the calculations and explanations provided by our Company and the reactor capacities and other ancillary equipment installed at the facilities. The assumptions are also based on the past experience of our Company to manufacture the products. It also depends on the product mix that our 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 our 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.

(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 our Company, explanations provided by our 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.

(3) Capacity utilization has been calculated on the basis of actual production during the relevant fiscal year divided by the aggregate installed capacity of relevant manufacturing facilities as of at the end of the relevant fiscal year

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

(5) SRP Plant, started production from February 1, 2021 and had 2 months of stabilization and production during Fiscal 2021, 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.

(6) 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, our 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.

(7) The proposed production per annum at Plot 8202/1 shown in the above table has already been commissioned in January 2023 and the trial runs were done. Manufacturing started in the last two months of the Fiscal 2023 and hence, our Company had very negligible production and it has decided not to ascertain the capacity utilization of the plant at Plot 8202/1 – Manufacturing Facility 3.

Automation

Our manufacturing facilities utilize DCS that use geographically distributed control loops throughout our facilities to control our systems and processes to increase their safety, cost-effectiveness and reliability. Our Pilot Plant and CRAMS operations use a Siemens PCS7 DCS and our manufacturing facilities use a Yokogawa Centum VP DCS.

Manufacturing Process

We have designed and developed our facilities based on a chemistry and technology model, and each product is assigned to a particular stream. This design gives us flexibility to move from one product to another without any gestation period and with the least amount of cost. The plant design is flexible to run multiple streams across our intermediate product buildings for our key products to limit contagion risk, and consistently meet the demand of these products. All our manufacturing units are multipurpose plants with multiple streams catering to the wide range of products that we have. There are no dedicated plants or streams, and the same stream can be utilized for multiple products providing the flexibility to adjust the production mix quickly as demand changes. Each product is a result of various chemistries and processes applied as per the desired results.

Our products can be broadly classified under eight different chemistry bifurcations:

1. Tandem Grignard / ethylene oxide chemistry;
2. Other Grignard / coupling chemistry;
3. Hydrogenation / catalysis chemistry;
4. Continuous reaction technology based chemistries;
5. Fixed bed technology based chemistries;
6. Hazardous gas chemistry;
7. Cross Coupling Chemistry; and
8. Olefin Metathesis / Polymerisation

The raw materials are charged continuously/ batch-wise in reactors of suitable capacity and design based on the type of reaction. Other technical parameters such as temperature, pressure and reaction time are maintained based on the type of reaction to be carried out.

When the reaction is complete, the product is analyzed and subjected to further processing, which includes filtration, continuous/ batch distillations, purification processes to get the required quality product. The product is ultimately tested to ensure it meets the applicable specifications before it is supplied to the customer.

Research & Development (R&D)

The foundation of our Company is our in-house research and development. According to the F&S Report, our strategic investments in R&D have been critical to our success and a differentiating factor for us to attain leading market positions for certain products. Based on the technical expertise that we have developed over the years, we are able to carry out innovative processes at global scale, which is difficult to replicate and creates significant barriers for new entrants *(Source: F&S Report)*.

We have dedicated in-house R&D Facilities and a Pilot Plant located at our Manufacturing Facility 1 in Sachin. Our chemistry, technology and systems core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production with in-house design and engineering. Our in-house development (without the support from any clients for R&D) showcases our innovation and research strength *(Source: F&S Report)*. Examples of our chemistry core competencies include Grignards, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (homogeneous /heterogeneous), exothermic chemistry, cross coupling chemistry and olefin metathesis/polymerization chemistry. Examples of our technology and systems core competencies include continuous reaction technology, batch reaction technology, high pressure reaction technology, fixed bed reaction technology, cryogenic reaction technology, distributed control system ("**DCS**") process automation and high vacuum distillation technology (wiped film/short path).

Our R&D Facilities are dedicated to the development of our pipeline and next generation products as well as to our CRAMS customers. As of March 31, 2023, we had a specialized R&D team of 233 scientists and engineers including 111 scientists (with PhDs or Master of Science degrees) and 122 chemical engineers. With a view to further strengthen our R&D capabilities, we continuously recruit and appoint scientists of varied experience and expertise at our R&D laboratory with an objective to successfully implement our strategy of early identification of development and manufacturing opportunities.

Our R&D laboratories are fitted with modern synthesis equipment including fume hoods, lab scale continuous and flow reactors and advanced separation equipment. In addition, our R&D labs are supplemented with modern analytical method development and quality control laboratories equipped with the entire suite of equipment necessary for modern organic chemistry research (including liquid chromatography mass spectrometry, gas chromatography mass spectrometry, gas chromatography, high pressure liquid chromatography, differential scanning calorimetry/thermal stability unit, and others). In Fiscal 2021, Fiscal 2022 and Fiscal 2023, our expenditures (revenue and capital) incurred on research and development were ₹192.83 million, ₹392.60 million and ₹501.39 million, respectively, which represented 4.29%, 6.65% and 7.70%, respectively, of our revenue from operations.

Our R&D Facilities are equipped with laboratories engaged in process development, process innovation, new chemical screening and engineering, which assists us in pursuing efficiencies from the initial conceptualization up to commercialization of a product. Our R&D team has successfully carried out multi-step synthesis and scale-up for several new molecules in the area of speciality chemicals and intermediates, and as a result, expanded our commercialized product portfolio.

Another aspect of our R&D activities is our association and collaboration with many universities and institutions of India. We have been associated with National Chemical Laboratory (NCL, Pune), Institute of Chemical Technology (ICT, erstwhile UDCT, Mumbai), Uka Tarsadia University (UTU, Bardoli), and Sardar Vallabhbhai National Institute of Technology (SVNIT, Surat).

We have our own sponsored PhD programs which are ongoing for getting PhD research and degree done for our R&D team with Institute of Chemical Technology (ICT, erstwhile UDCT, Mumbai), National Chemical Laboratory (NCL, Pune), Uka Tarsadia University (Bardoli), and Sardar Vallabhbhai National Institute of Technology (SVNIT, Surat).

Our R&D Facilities are recognized by DSIR (Department of Scientific & Industrial Research), New Delhi for in-house R&D work.

Pilot Plant

We have a state-of-art Pilot Plant, which is a vital link between R&D and large-scale production. Our Pilot Plant has a dual functionality; it functions to generate critical scale-up data in the transition from R&D to production to help eliminate issues at full production scale; and it also functions as a stand-alone manufacturing facility for low volume, high value products for our CRAMS customers. Our Pilot Plant encompasses a wide range of reactor and downstream equipment, in both continuous and batch regimes, across the entire range of scale-up volumes, metallurgy, and process parameters and is automated through DCS process automation.

Upcoming projects

We have also acquired additional land next to the existing Manufacturing Facility 3, with the intention of extending the Manufacturing Facility 3 which now consist of 10,500 square meters. We have entered into an agreement for acquiring land for Manufacturing Facility 4 of 5,250 square meters at Sachin. We have acquired land on a long-term lease for the Manufacturing Facility 5 of 125,874.64 square meters at Panoli GIDC, Bharuch District, Gujarat. We have applied for the regulatory approvals for the Manufacturing Facility 5 and have started the wall fencing work.

We have, in Fiscal 2023, expanded our R&D and Pilot Plant capacities by adding new fume hoods in R&D (which have increased from 17 in Fiscal 2022 to 55 in Fiscal 2023) and the reactors in Pilot Plant (which were over 100 in Fiscal 2022 to more than 200 in Fiscal 2023).

The information on our proposed expansion plans is indicative and remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. We are in the process of obtaining various consents, approvals and acknowledgements from regulatory authorities that are routine in nature in relation to our third proposed facility. For further information see, "*Risk Factors –We have not yet placed orders in relation to the capital expenditure to be incurred for Manufacturing Facility 3, Manufacturing Facility 4 and Manufacturing Facility 5. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected*." on page 66.

Raw Materials

The raw materials we use in our manufacturing process are primarily sourced from third party suppliers globally and in India. During Fiscal 2021, Fiscal 2022 and Fiscal 2023, our cost of goods sold (cost of materials consumed and changes in inventories of finished goods and work-in-progress) amounted to ₹2,306.88 million, ₹2,880.33 million and ₹3,173.39 million, respectively, and our cost of materials consumed as a percentage of our revenue from operations was 51.28%, 48.82% and 48.74%, respectively. Our raw materials include crude oil derivatives such as phenol and other commodities such as hydrogen, ethylene oxide and Isobutylene gas. Other important raw materials include chlorobenzonitrile, methanol, toluene, methylene dichloride tetrahydrofuran, dichlorotoluene and thiophene, amongst others.

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. 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. 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.

Electricity

We procure electricity for use at our facilities from the local grid. In Fiscal 2021, Fiscal 2022 and Fiscal 2023, our electricity expenses comprised 2.88%, 3.64% and 2.94%, respectively, of our revenue from operations and 3.60%, 4.77% and 3.88%, respectively, of our total expenses. We have constructed a 16 MW solar power to provide power to our current operational three manufacturing plants, which will help us reduce our total electricity costs considerably, for these three units.

Inventory Management

Our finished products are stored on-site at our manufacturing facilities. The raw materials are stored at our warehouses located at the nearby warehousing sites procured by our Company on leased premises and the ready to use raw material for use in production are stored at on-site warehouses. We typically keep at least five months of inventory of raw materials, work in progress and recoveries at our facilities to mitigate the risk of raw material price movements; we typically maintain 15 days of inventory in work-in-progress (semi-finished goods); and we maintain a low level of inventory of finished goods due to the demand from various customers based on which the products are manufactured. We usually manufacture finished goods as per the orders received, and hence our finished goods are not in inventory for more than a week. We maintain a lead-time material requirement planning system and utilize our ERP software to manage our levels of inventory on a real-time basis.

Freight and Transportation

We transport our finished products by road, sea and air. Each of our facilities are equipped with a warehouse, enabling smooth functioning of our operations. We sell our products on a cost, insurance and freight basis, on a consignee basis and on a door delivery/ DDP basis. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities. We do not own any vehicles for the transportation of our products and/or raw materials; we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. However, we do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time.

Where we are responsible for shipping the products to the customer, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures. For exports, our freight forwarders co-ordinate with the shipping line or airline to file and release the necessary bills of lading or air waybills. Incoterms determine the exact delivery terms, which would include how the goods will be delivered, who pays, who is responsible and who handles specific procedures such as loading and unloading.

In Fiscal 2023, 44.85%, of our revenue from operations was from exports (excluding deemed exports) and purchase of imported raw materials constituted 41.16%, of our total raw material purchased. A significant portion of our expenses is due to freight carriage and transport and freight and forwarding expense and export freight charges. Freight (inward and outward) represented 3.60%, 4.77% and 3.88% of our total expenses in Fiscal 2021, Fiscal 2022 and Fiscal 2023, respectively.

Quality Control and Quality Assurance

We believe that maintaining high standard of quality of our products is critical to our brand and continued growth. Across our manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Through our regular internal audits, we ensure that our manufacturing facilities are in compliance with local and international regulatory requirements.

Our products adhere to global quality standards. Our products go through various quality checks at various stages including random sampling check and quality check. Many of our key customers have audited and approved our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. In Fiscal 2023, our facilities were audited 27 times by 24 customers or their external auditors. We also have procured the ISO 9001:2015 certification for our Manufacturing Facility 1 and the ISO 14001:2015, ISO 45001:2018, ISO 27001:2013 and GMP certifications for our major operations at our Manufacturing Facility 2.

We implement and maintain industry practices including for, adequate premises and space, suitable equipment and services, appropriate materials, approved procedures and instructions, and equipped laboratories. Our employees are required to undergo training programs designed to update them on latest quality norms and standards periodically.

Our quality function monitors all stages of product development. Various in-process quality checks are performed to monitor product quality during manufacturing process. Final finished products are tested as per the predetermined quality specifications before release in the market. The manufactured product is subject to our quality control and testing functions, comprising different levels of testing to test the physical properties, purity and quality of the end products to ensure traceability and repeatability. We employ trained and experienced employees to conduct evaluation procedures for quality control and testing. In addition to our in-house quality testing of our products, we conduct periodic quality audits of our manufacturing units to verify and ascertain effective implementation of quality management systems. We have a well-equipped laboratory where the manufactured products are tested with respect to their application.

Environment, Health and Safety

We are subject to national, regional and state laws and government regulations in India, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our R&D and manufacturing activities and any improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees.

We also have procured the ISO 9001:2015 certification for our Manufacturing Facility 1 and the ISO 14001:2015, ISO 45001:2018, ISO 27001:2013 and GMP certifications for our major operations at our Manufacturing Facility 2. In furtherance of our move towards sustainable business operations in phased manner, we have obtained membership of UN Global Compact. We have been awarded with silver medal of EcoVadis in Fiscal 2023. Further, we are also the members of the Indian Chemical Council, which dedicated to the growth and promotion of the Chemical Industry in India. As of March 31, 2023, we had an environmental team of 46 employees (constituting 5.17% of our workforce), 48 employees as part of our quality control and quality assurance team (constituting 5.39% of our workforce) and a safety team of 38 employees (constituting 4.27% of our workforce).

Our manufacturing principles and technologies embody the core tenets of "green" chemistry or sustainable chemistry. Principles of energy saving and conservation, atom economy and the 4R strategy (reduce / recover / recycle / reuse) are fundamental in our manufacturing designs and engineering. In addition, by employing cleaner chemistries, semi-continuous or continuous reaction technologies, and automation in the process, we distinguish our processes from conventional processes and optimize use of non-toxic raw materials, resulting in lower effluent generation.

As part of environment and sustainability efforts, we have installed modern systems at our manufacturing facilities including a 100 KLPD in-house zero liquid discharge plant, which includes primary and secondary chemical neutralization, triple stage multiple effect evaporator, multiple mechanical vapor recompression plants, multiple agitated thin film evaporators, multiple reverse osmosis plants and a soil biotechnology platform with ozonation. Our sites are served by aqueous effluent treatment capabilities of 45,000 L/day divided over two CETP. We also have solid incineration capability of 200 MT per year.

In addition, to provide sustainable power for our operations, we have constructed a 16 MW solar power generation plant at Sarod Village, Bharuch District, Gujarat to provide electricity to our current operational three manufacturing facilities.

We have an in-house developed and engineered mobile application to assist coordination of our human resources, safety and emergencies. We also have a dedicated team of safety personnel including firemen, safety marshals and safety engineers. In addition, we have installed comprehensive safety equipment including firefighting and safety systems including 700 m^3 fire hydrant water storage, 271 m^3 main electrical pump and diesel pump, automated foam monitors and water sprinklers, and Pulse Position Modulation (PPM) detection for gas and solvent leakage. Our plant wide DCS automation system allows us to control our safety systems and processes.

Sales and Marketing

Our business is predominantly conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and to ensure timely delivery. We also have an exclusive distributor in the Andhra Pradesh region of India. We have a sales and marketing team and business development team that is dedicated to taking new orders, quoting rates and aids in understanding the requirements of the customers. Our team consists of Raymond Paul Roach (Business Development Leader – Americas); Dr. James Ringer (Business Development Leader – Americas); and Dr. Norbert Flüggen (Business Development Leader – Europe).

We also regularly take part in trade shows and exhibitions, such as CphI in India, Europe, Japan, China and USA; Chemical Outsourcing in USA and Chemspec in India and Europe. Moreover, members of our sales team have been invited as speakers at various industry forums.

In order to serve our existing direct end-use customers as well as to secure new direct end-use customers and expand the reach of our products to new markets, we are expanding globally. We intend to achieve this by having dedicated teams whose primary focus will be on business development in international markets and in certain focus geographies, such as Europe and the Americas.

Information Technology

Our IT systems are vital to our business, and we have adopted IT policies to assist us in our operations. The key functions of our IT team include establishing and maintaining enterprise information systems, infrastructure services to support our business requirements and maintaining secure enterprise operations.

We utilize an enterprise resource planning solution, SAP, which assists us with various business functions including sales distribution, materials management, warehouse management, production planning, quality management, plant maintenance, finance and controlling, environment health and safety, and human resources across all our offices, R&D facilities and manufacturing plants.

We also have ISO 27001:2013 certification which has a key focus on Information Security Management Systems. Our information security objective is to safeguard the data and give our customer confidences on their intellectual property (IP), for which we have implemented a data facility for managing data and its security, access restriction systems and other systems.

We believe we have a robust disaster recovery, business continuation and backup policy. We use a Vmware Virtualisation System in redundant mode with centralised storage and thin client systems. We have employed a firewall in redundant mode. All users connect to our systems only through VPN access. For data security, we use a RDP System (Remote Desktop) with thin client.

For information on the risk to our IT systems, see "*Risk Factors – Failure or disruption of our IT, manufacturing automation systems and/or ERP systems may adversely affect our business, financial condition and results of operations*." on page 65.

Risk management

We believe that risk management is an integral part of our operations. We believe that it is essential to identify and manage risks in order to reduce uncertainties and ensure continuity of business. We have a risk management framework and risk management team that implements the processes specified in the framework.

We aim to provide a high degree of safety to our employees, especially at our factories where chemical processes are executed. We undertake regular inspection of our machineries and also undertake periodic maintenance checks on other equipment in order to ensure they meet safety requirements.

Insurance

We maintain sufficient insurance coverage that we consider is necessary for our business. We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. We also maintain a cargo insurance policy that insures consignments of goods by sea, air and by courier until delivery to the customer's warehouse and inland movement of bulk cargo in road tankers. In addition, we maintain a commercial general liability insurance that covers liability in claims for bodily injury (and medical payments), property damage, personal and advertising injury. Further, we have a cyber insurance policy to cover against certain IT and system risks. We have also obtained a COVID-19 insurance policy for our employees to cover pre- and post-hospitalization expenses and emergency road ambulance expenses. We also have a directors' and officers' policy for our directors and senior management.

Competition

The speciality chemicals industry presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications. Our competition varies by market, geographic areas and type of product. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. We face competition primarily from international manufacturers especially Chinese companies. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships. For more information about our industry, see "*Industry Overview*" on page 128.

Human Resources

We place importance on developing our human resources. As of March 31, 2023, we have added over 170 employees and had a total of 889 employees (excluding trainees) and 266 contract workers and trainees. As of March 31, 2023, the average age of our workforce was 31 years.

As of March 31, 2023, we employed 111 scientists with either a PhD or Master of Science degree (which constituted 12.49% of our workforce) and 122 chemical engineers (which constituted 13.72% of our workforce). The following table sets forth the number of our employees as of March 31, 2023:

Departments / Teams	Number of Employees March 31, 2023
Management and administration	4
Human Resource (HR) & Admin	29
Computer Information System (CIS)	13
Finance & Accounts	14
Logistics & EXIM	2
Procurement	3
Sales	3
Stores / Warehouse	62
Quality Control / Analytical Lab / Quality Assurance (CQ/ADL/QA)	48
Research & Development (R&D)	92
Control & Instrumentation (C&I)	32
Environment Health & Safety (EHS)	38
Effluent Treatment (ETP)	46
Maintenance	130
Electrical	31
Production	320
Process & Project	19
Creative Team	3
Total	**889**

Our employees are not part of any union.

Intellectual Property

We have applied for a trademark registration for our corporate logo under class 1 and class 5 of the Trademark Act, 1999, and Trade Rules, 2002, before the Registrar of Trademarks. The application has been made in the name of our Company. The table below sets forth our trademarks applications as of the date of this Placement Document.

Aether Industries Limited				
Status of Trademark Application				
Sr. No.	**Country**	**Trademark**	**Class**	**Status**
1	India	aether	1	TM Approved
2	India	aether	5	TM Approved
3	India	elementally innovative	1	TM Approved

Aether Industries Limited				
Status of Trademark Application				
Sr. No.	**Country**	**Trademark**	**Class**	**Status**
4	India	elementally innovative	5	TM Approved
5	India	aether elementally innovative	1	® Approved
6	India	aether elementally innovative	5	® Approved
7	India		1	TM Approved
8	India		5	TM Approved
9	USA	aether elementally innovative	International – 01	TM registered
10	India	Wordmark "aether" - TM	2, 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, 29, 30, 31, 32, 34, 35, 36, 37, 39, 40, 41, 42, 43, 44 and 45	Applied
11	India	Device " એથર	1, 2, 4, 5, 6, 9, 32, 41 and 42	Applied
12	India	Device " aether elementally innovative	Artistic Work	Applied for TM-NOC
13	India	Device " aether elementally innovative	Artistic Work	Yet to Apply (Wait for NOC)

We also have registered the domain names aether.co.in, which is renewable periodically.

We also rely on a combination of trade secret, and copyright law and contractual restrictions to protect our intellectual property. We do not own any patents. We have agreements with our employees and consultants which include confidentiality provisions and provisions on ownership of intellectual property developed during employment or specific assignments, as applicable. For further information, see "*Risk Factors –We rely on a combination of trade mark, trade secret, copyright law and contractual restrictions to protect our intellectual property. We do not own any patents. If we are unable to protect our intellectual property rights, our business, financial condition and results of operations may be adversely affected.*" on page 58.

Properties

Our Registered and Corporate Office is located at Plot No. 8203, GIDC Sachin, Surat – 394 230, Gujarat, India.

The following table sets forth details of our principal properties as on the date of this Placement Document.

Location	Primary Purpose	Freehold or Leasehold Tenure
Plot No. B-21/7 SUSML, Road No. 3, Hojiwala Industrial Estate, Sachin, Surat 394230, Gujarat, India	**Manufacturing Facility 1** - R&D Facilities, Analytical Sciences, Pilot Plant, CRAMS and production	Leasehold (9 Years)
Plot No. 8203, Road No. 08, GIDC Industrial Estate, Sachin, Surat 394230, Gujarat, India	**Manufacturing Facility 2** – Headquarters with 2 intermediate buildings for production	Leasehold (99 years, 79 pending from date of purchase in March 2015)
Plot No. 8202/1, 8202/2/A and 8202/2/B, Road No. 08, GIDC Industrial Estate, Sachin, Surat 394230, Gujarat, India	**Manufacturing Facility 3** Plot No. 8202/2/A and 8202/2/B acquired for expansion	Leasehold (99 Years)
Plot No. 362, Road No. 3, GIDC Industrial Estate, Sachin, Surat – 394230, Gujarat, India	**Manufacturing Facility 4** Site acquired for expansion under Wholly Owned Subsidiary, Aether Speciality Chemicals Limited	Leasehold (99 Years)
Plot No. 14 + 15, GIDC Industrial Estate, Panoli – 394115, Bharuch, Gujarat, India	**Manufacturing Facility 5** Site acquired for expansion	Leasehold (99 Years)
Plot No. 6714, Survey Numbers 252/1/P, Sachin Notified Industrial Area Estate, Talangpur Taluka, Choryasi, Surat-394230, Gujarat	Warehouse	Leasehold (5 Years)
Plot No. 8206/A, GIDC Sachin, Road No. 82, Surat-394230, Gujarat	Warehouse	Leasehold (5 Years)
Plot No. 8208/1 + 2P, GIDC Industrial Estate, Sachin Highway Sachin, Surat-394230, Gujarat	Warehouse	Leasehold (5 Years)
Plot No. C-24/10, Hojiwala Industrial Estate, Palsana Highway, Surat-394230, Gujarat	Warehouse	Leasehold (99 Years)
Plot No. C-24/9, Hojiwala Industrial Estate, Palsana Highway, Surat-394230, Gujarat	Warehouse	Leasehold (5 Years)
Plot No. 822, GIDC Industrial Estate, Sachin, Surat 394230, Gujarat, India	Warehouse	Leasehold (Until April 9, 2024)
Plot No. B-21/5 Block No. 87/88, Hojiwala Industrial Estate, Palsana Highway, Surat-394230, Gujarat	R&D, Pilot Plant, CRAMS and Production	Leasehold (10 Years)

Corporate Social Responsibilities

We have constituted a corporate social responsibility ("**CSR**") committee of our Board of Directors (the "**CSR Committee**") and have adopted and implemented a CSR policy on June 20, 2018 and revised on November 18, 2021, pursuant to which we carry out our CSR activities. Our CSR initiatives are focused on education and skill development and healthcare to the local community. We also carry certain activities for our employees as well though, not as CSR but, in the name of charity, donation, etc. For example, we make contributions towards educational fees for all our workers and staff. . In Fiscal 2021, Fiscal 2022 and Fiscal 2023, we have spent ₹6.53 million, ₹12.19 million and ₹19.98 million, respectively, on account of our CSR activities, in line with the budget. Further, we conducted a blood donation camp on February 8, 2023, at Ankleshwar, Gujarat, where our Manufacturing Facility 5 is situated, wherein 706 donors had participated.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

The Board of Directors of our Company is entrusted with the implementation of the activities of our Company in an effective and efficient manner and is bestowed with the ultimate responsibility of the management of our Company. The composition of our Board is governed by the provisions of the Companies Act, 2013, the Articles of Association of our Company and the SEBI Listing Regulations. In alignment with the SEBI Listing Regulations, all the statutory and the significant and material information is placed before the Board in order to enable it to take and implement strategic decisions for the utmost benefit of the organization as well as the stakeholders.

As on the date of this Placement Document, our Company has 12 Directors on its Board, comprising of four Executive Directors, eight Non-Executive Directors which further includes six Non-Executive Independent Directors. Our Company has three women Directors.

The following table sets forth details regarding the Board at the date of this Placement Document:

Name, Address, Occupation, Nationality, Date of Birth, Term and DIN	Age (years)	Designation
Ashwin Jayantilal Desai **Date of Birth:** September 18, 1951 **Designation**: Managing Director **Address**: Aangan, 40, Jaldarshan Society, B/H Gokul Row House Umra, Surat City, SVR College, Surat – 395007, Gujarat, India **Occupation**: Business **Current Term**: Five years commencing from October 1, 2021 until September 30, 2026 **Period of Directorship:** Since January 23, 2013 **DIN**: 00038386	71	**Indian Companies** Globe Enviro Care Limited Aether Foundation Aether Speciality Chemicals Limited **Foreign Companies** Nil
Purnima Ashwin Desai **Date of Birth:** January 24, 1954 **Designation**: Whole-time Director **Address**: Aangan, 40, Jaldarshan Society, B/H Gokul Row House Umra, Surat City, SVR College, Surat-395007, Gujarat, India **Occupation**: Business **Current Term**: Five years commencing from October 1, 2021 until September 30, 2026 **Period of Directorship:** Since January 23, 2013 **DIN**:00038399	69	**Indian Companies** Aether Foundation Aether Speciality Chemicals Limited **Foreign Companies** Nil
Rohan Ashwin Desai	43	**Indian Companies**

Name, Address, Occupation, Nationality, Date of Birth, Term and DIN	Age (years)	Designation
Date of Birth: September 16, 1979 **Designation**: Whole-time Director **Address**: Aangan, 40, Jaldarshan Society, B/H Gokul Row House Umra, Surat City, SVR College, Surat-395007, Gujarat, India **Occupation**: Business **Current Term**: Five years commencing from October 1, 2021 until September 30, 2026 **Period of Directorship:** Since January 23, 2013 **DIN**: 00038379		Aether Foundation Aether Speciality Chemicals Limited **Foreign Companies** Nil
Dr. Aman Ashvin Desai **Date of Birth:** March 30, 1983 **Designation**: Whole-time Director **Address**: Aangan, 40, Jaldarshan Society, B/H Gokul Row House Umra, Surat City, SVR College, Surat-395007, Gujarat, India **Occupation**: Business **Current Term**: Five years commencing from October 1, 2021 until September 30, 2026 **Period of Directorship:** Since August 25, 2014 **DIN**: 00043633	40	**Indian Companies** Aether Speciality Chemicals Limited **Foreign Companies** Nil
Kamalvijay Ramchandra Tulsian **Date of Birth:** February 17, 1951 **Designation**: Chairperson and Non-Executive Director **Address**: 151-C, Jamna Nagar Society, Near Shivaji Park, Ghod Dod Road, Surat- 395007, Gujarat, India. **Occupation**: Business **Current Term**: Liable to retire by rotation **Period of Directorship:** Since May 22, 2018 **DIN**: 00190840	72	**Indian Companies** J R Dyeing and Printing Mills Private Limited Pandesara Infrastructure Limited Gujarat Enviro-Protection and Infrastructure Limited Surat Mega Textile Processing Park Association **Foreign Companies** Nil
Ishita Surendra Manjrekar **Date of Birth:** September 22, 1984 **Designation**: Non-Executive Director **Address**: 111/112, Kuber Tower, A.V. Nagvekar Marg, Prabhadevi, Mumbai- 400025, Maharashtra, India.	38	**Indian Companies** Sunworks Chemicals Private Limited Sunanda Speciality Coatings Private Limited Sunanda Global Outreach Foundation

Name, Address, Occupation, Nationality, Date of Birth, Term and DIN	Age (years)	Designation
Occupation: Engineer **Current Term:** Liable to retire by rotation **Period of Directorship:** Since June 20, 2018 **DIN**: 06731016		Sunanda Smile Foundation **Foreign Companies** Nil
Arun Brijmohan Kanodiya **Date of Birth:** November 12, 1970 **Designation**: Non-Executive Independent Director **Address**: 5A, Arnav Apartment, City Light, Umra, Surat-395007, Gujarat, India. **Occupation**: Chartered Accountant **Current Term:** Five years commencing from March 1, 2023 **Period of Directorship:** Since March 1, 2018 **DIN**: 03449000	52	**Indian Companies** Haryana Petrochemicals Limited **Foreign Companies** Nil
Jeevan Lal Nagori **Date of Birth:** August 10, 1960 **Designation**: Non-Executive Independent Director **Address:** D-1004, Panchsheel Heights, Mahavir Nagar, Kandivali West, Mumbai-400067, Maharashtra, India. **Occupation**: Chartered Accountant **Current Term**: Five years commencing from March 1, 2023 **Period of Directorship:** Since March 1, 2018 **DIN**: 00017939	62	**Indian Companies** Ajanma Holdings Private Limited Avik Pharmaceuticals Limited **Foreign Companies** Nil
Leja Satish Hattiangadi **Date of Birth:** March 18, 1949 **Designation:** Non-Executive Independent Director **Address:** 1202, Solitaire Building, Orchard Avenue, Hiranandani Gardens, Powai, Mumbai-400076, Maharashtra, India. **Occupation:** Professional (Engineering Consultant) **Current Term:** Three years commencing from October 1, 2021 **Period of Directorship:** Since October 1, 2021	74	**Indian Companies** Alkyl Amines Chemicals Limited Artson Engineering Limited **Foreign Companies** Nil

Name, Address, Occupation, Nationality, Date of Birth, Term and DIN	Age (years)	Designation
DIN: 00198720		
Dr. Amol Arvindrao Kulkarni **Date of Birth:** December 3, 1976 **Designation:** Non-Executive Independent Director **Address:** E-84, NCL Colony, Dr. Homi Bhabha Road, Pashan, Pune City, Pune, N.C.L Pune – 411008, Maharashtra, India **Occupation:** Senior Principal Scientist, NCL **Current Term:** Three years Commencing from November 17, 2021 **Period of Directorship: S**ince November 17, 2021 **DIN:** 09311097	46	**Indian Companies** Nil **Foreign Companies** Nil
Rajkumar Mangilal Borana **Date of Birth:** February 10, 1977 **Designation:** Non-Executive Independent Director **Address:** 28, Rajhans Felix Society, Nr. Khatiawala School, Rundh, Surat-395007, Gujarat, India **Occupation:** Business **Current Term:** Three years commencing from November 17, 2021 **Period of Directorship:** Since November 17, 2021 **DIN:** 01091166	46	**Indian Companies** R&B Denims Limited Borana Weaves Private Limited Borana Filaments Private Limited Pandesara Infrastructure Limited **Foreign Companies** Nil
Jitendra Popatlal Vakharia **Date of Birth:** April 18, 1951 **Designation:** Non-Executive Independent Director **Address:** 12, Narayan Bunglow, Behind Rajhans Cinema, Dumas Road, Surat City – 395007, Gujarat, India **Occupation:** Business **Current Term:** Three years from November 17, 2021 **Period of Directorship:** Since November 17, 2021 **DIN:** 00191088	72	**Indian Companies** Pandesara Infrastructure Limited Suje Tex Private Limited Surat Mega Textile Processing Park Association Gujarat Eco Textile Park Limited **Foreign Companies** Nil

Brief profiles of our Directors

Ashwin Jayantilal Desai is the founding Promoter and Managing Director of our Company. He holds a bachelor's degree in chemical engineering from Institute of Chemical Technology (ICT, formerly University Department of Chemical Technology, UDCT, Mumbai, 1974). He has been awarded the Distinguished Alumnus award by Indian Chemical Technology in 2010. Ashwin Desai has multiple decades of experience in the speciality chemical industry. Prior to incorporation of our Company, he was the founding member of Anupam Rasayan India Limited and was the Chairman and Managing Director of Anupam Rasayan India Limited till 2013. At our Company, Ashwin Desai is responsible for creating the overall vision of our Company and is actively involved in all techno-commercial departments. He focuses on innovative chemical engineering solutions for our R&D, pilot plant, and production processes and is also responsible for leading our core competency in continuous reaction and flow technology.

Dr. Aman Ashvin Desai is a Promoter and Whole Time Director of our Company. He is responsible for our R&D, pilot plant, and production operations, new projects, and technical business development, and has over ten years of experience in the speciality chemical industry. Dr. Aman Desai has a bachelor's degree in chemical technology (Intermediates and Dyestuff Technology, 2005) from Institute of Chemical Technology (ICT formerly known as University Department of Chemical Technology, UDCT, Mumbai) and has a Doctor of Philosophy (PhD) degree in Organic Chemistry (with a focus on chiral chemistry) from Michigan State University (USA, 2010). His doctoral research was published in the Journal of the American Chemical Society and was also featured in Chemical & Engineering News in 2010. Dr. Aman Desai was then a Project Leader in the Process Development group in Core R&D Headquarters at the Dow Chemical Company in Michigan (USA). Dr. Aman Desai has been awarded the UAA Young Achiever Award in 2018 in the UAA-ICT Distinguished Alumnus Awards from his alma mater, Institute of Chemical Technology, Mumbai, India. He is the author/co-author of 25 publications in international technical journals. He has been granted 4 patents in USA, and these patents are published worldwide. In Fiscal 2023, Dr. Aman Ashvin Desai was awarded with BW Disrupt 40 under 40 Achievers Award by Business World and he is now a part of the Elite Club of BW Disrupt Future Masters 2022.

Rohan Ashwin Desai is a Promoter and Whole Time Director of our Company. He has extensive experience in the speciality chemical industry and looks after the entire commercial portfolio (including sales, finance, strategic procurements, human resources and systems) of our Company. He has a bachelor's degree in commerce (special) from South Gujarat University, Surat. Rohan Desai was previously a Director at Anupam Rasayan India Limited until 2013.

Purnima Ashwin Desai is a Promoter and Whole Time Director of our Company. With multiple decades of experience in the speciality chemical industry, she leads the overall accounting and finance operations of our Company. She has a bachelor's degree in commerce from the University of Delhi (1975). Purnima Desai was previously a Director at Anupam Rasayan India Limited until 2013.

Kamalvijay Ramchandra Tulsian is the Chairperson and Non-Executive Director of our Company. He holds a diploma in Electrical Engineering and a diploma in Mechanical Engineering, both from the Maharaja Sayajirao University of Baroda (MSU-B). He has multiple decades of experience in the textile and chemical industry.

Ishita Surendra Manjrekar is a Non-Executive Director of our Company. She holds a bachelor's degree in Chemical Engineering from Institute of Chemical Technology (ICT, formerly known as University Department of Chemical Technology, UDCT, Mumbai) and a master's degree in Chemical Engineering from Rensselaer Polytechnic Institute (RPI, USA). She is currently serving as director (Technology) in Sunanda Speciality Coatings Private Limited (Sunanda) and leads their Research and Development department and Business Development. Prior to working at Sunanda, Ishita Manjrekar worked as the Vertical Head (Clean Technology) for Primary Global Research, USA. She is a director on the Board of American Concrete Institute (ACI, USA) and was conferred the ACI Young Member Award for Professional Achievement in 2016.

Arun Brijmohan Kanodiya is a Non – Executive Independent Director of our Company. He has bachelor's degree from the University of Delhi, and he is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He is a Partner of M/s. KSA & Co, Chartered Accountants (Surat). He has over 15 years of experience in chartered accountancy and finance.

Jeevan Lal Nagori is a Non – Executive Independent Director of our Company. He has a bachelor's degree from University of Udaipur, and he is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He has experience in chartered accountancy. He was previously associated with IPCA Laboratories Limited for 34 years, as the President of Project.

Leja Satish Hattiangadi is a Non-Executive Independent Director our Company. She holds a bachelor's degree in Chemical Engineering from Indian Institute of Technology (IIT, Bombay) and a Master's degree in Chemical Engineering from Lowell Technological Institute (Massachusetts, USA). She has been elected as a Member of the American Institute of Chemical Engineers (AIChE). She has multiple decades of experience in the engineering contracting and chemical industry. She has previously worked at Tata Consulting Engineers Limited (a TATA Enterprise). She has also previously worked at Jacobs India for 9 years as Director (Business Development). During her tenure at Jacobs India, she was also a Whole Time Director of the Board. Leja Satish Hattiangadi was an Adjunct Professor in the Department of Chemical Engineering, Indian Institute of Technology (IIT, Bombay). She is also currently serving as an Independent Director on the Board of M/s. Alkyl Amines Chemicals Limited and M/s. Artson Engineering Limited**.**

Dr. Amol Arvindrao Kulkarni is a Non-Executive Independent Director of our Company. He is currently a Senior Principal Scientist in the Chemical Engineering & Process Development Division at the National Chemical Laboratory (NCL, Pune). He holds a bachelor's degree, a masters' degree and a Doctor of Philosophy (PhD) degree in Chemical Engineering from the Institute of Chemical Technology, University of Mumbai (ICT, formerly known as University Department of Chemical Technology, UDCT, Mumbai). He was also a Post Doctorate at the Max Planck Inst. Magdeburg (Germany) and IUSSTF Research Fellow at Massachusetts Institute of Technology (MIT, USA). Dr. Amol Arvindrao Kulkarni has established the first of its kind microreactor laboratory in India. He is the recipient of numerous awards including the prestigious Shanti Swaroop Bhatnagar Award in Engineering Sciences (2020), VASVIK award for technology development (2016), Young Associate of Indian Academy of Sciences (2011), CSIR Young Scientist Award (2011), and Indian National Science Academy's (INSA) Medal for Young Scientists (2009). He is the author/co-author of 138 publications in international technical journals and has been granted 17 patents in India, USA, and worldwide. He has been inducted as a Fellow of the Indian National Academy of Engineering (INAE).

Rajkumar Mangilal Borana is a Non-Executive Independent Director of our Company. He holds a bachelor's degree from Veer Narmad South Gujarat University (Surat). He has extensive experience in the textile industry and is currently associated with R&B Denim Limited.

Jitendra Popatlal Vakharia is a Non-Executive Independent Director of our Company. He holds a diploma in Textile Chemistry from the Maharaja Sayajirao University of Baroda (MSU-B). He has multiple decades of experience in the chemical and textile industry. He is currently serving as a partner at Narayan Processors and a Director at Pandesara Infrastructure Limited.

Relationship between Directors

Sr. No	Name of Directors	Family Relation	Designation
1.	Ashwin Jayantilal Desai	(i) Spouse of Purnima Ashwin Desai; (ii) Father of Rohan Ashwin Desai and Dr. Aman Ashvin Desai; and (iii) Father-in-law of Ishita Surendra Manjrekar	Managing Director
2.	Purnima Ashwin Desai	(i) Spouse of Ashwin Jayantilal Desai; (ii) Mother of Rohan Ashwin Desai and Dr. Aman Ashvin Desai; and (iii) Mother-in-law of Ishita Surendra Manjrekar	Whole-time Director
3.	Rohan Ashwin Desai	(i) Son of Ashwin Jayantilal Desai and Purnima Ashwin Desai; (ii) Brother of Dr. Aman Ashvin Desai and (iii) Son-in-Law of Kamalvijay Ramchandra Tulsian	Whole-time Director
4.	Dr. Aman Ashvin Desai	(i) Spouse of Ishita Surendra Manjrekar; (ii) Son of Ashwin Jayantilal Desai and Purnima Ashwin Desai and (iii) Brother of Rohan Ashwin Desai	Whole-time Director
5.	Ishita Surendra Manjrekar	(i) Spouse of Dr. Aman Ashvin Desai and (ii) Daughter-in-law of Ashwin Jayantilal Desai and Purnima Ashwin Desai	Non-Executive Director
6.	Kamalvijay Ramchandra Tulsian	(i) Father-in-Law of Rohan Ashwin Desai	Chairperson Non-Executive Director

Borrowing powers of our Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on September 18, 2021, provided that the total amount of money/monies so borrowed by our Board shall not at any time exceed the limit of ₹ 5,000 million.

Interest of our Directors and Promoters

All our Directors and Promoters may be deemed to be interested to the extent of the remuneration, fees and compensation payable to them for attending meetings of our Board or committees thereof, commission as well as to the extent of reimbursement of expenses payable to them.

All of our Directors may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, their relatives or the companies, firms and trust, in which they are interested as directors, members, partners, and trustees.

Except as provided in the section entitled "*Related Party Transactions*" on page 97, we have not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Placement Document in which any of our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details relating to contracts, agreements or arrangements entered into by our Company during the last three Fiscals, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to the related party transactions, during the last three Fiscals, see section entitled "*Related Party Transactions*" on page 97.

None of the Directors, Promoters or senior management of our Company have any financial or other material interest in this Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Our Directors have not taken any loans from our Company.

Shareholding of Directors and Promoters

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as set out below, none of our Directors and Promoters hold any Equity Shares in our Company as on the date of this Placement Document.

Sl. No.	Name	Designation	Number of Equity Shares	Percentage of issued and paid-up capital (%)
1.	Purnima Ashwin Desai	Whole-time Director	32,057,403	25.75
2.	Ashwin Jayantilal Desai	Managing Director	6,720,417	5.40
3.	Rohan Ashwin Desai	Whole-time Director	2,221,681	1.78
4.	Dr. Aman Ashvin Desai	Whole-time Director	110,000	0.09
5.	Kamalvijay Ramchandra Tulsian	Chairperson and Non-Executive Director	11,690	0.01
6.	RAD Family Trust	-	20,017,162	16.08
7.	AAD Business Trust	-	20,017,162	16.08
8.	AJD Family Trust	-	13,560,206	10.89
9.	PAD Family Trust	-	13,560,206	10.89
10.	AAD Family Trust	-	-	-

Terms of Appointment of our Executive Directors

The Nomination and Remuneration Committee and our Board have passed resolutions dated January 19, 2023, and January 20, 2023, respectively, in relation to the increase in the remuneration of our Executive Directors.

Ashwin Jayantilal Desai

Ashwin Jayantilal Desai has been a director of our Company since January 23, 2013. He was appointed as Managing Director of our Company with effect from January 23, 2013. He was re-appointed as a Managing Director pursuant to resolution by the Board dated September 4, 2021 and Shareholder's resolution dated September 18, 2021 for a period of five years commencing from October 1, 2021 until September 30, 2026. The Shareholders have approved his remuneration pursuant to Shareholder's resolution dated September 18, 2021. The details of remuneration governing his appointment are as stated below:

Particulars	Remuneration (In ₹)
Remuneration	₹ 1.05 million per month (subject to annual increment)
Benefits	Incentives as approved by the Board and reimbursement of expenses incurred for operational activities of our Company

Purnima Ashwin Desai

Purnima Ashwin Desai has been a director of our Company since January 23, 2013. She was appointed as Executive Director of our Company with effect from January 23, 2013. She was re-appointed as a Whole-time Director pursuant to resolution by the Board dated September 4, 2021, and Shareholder's resolution dated September 18, 2021 for a period of five years commencing from October 1, 2021 until September 30, 2026. The Shareholders have approved her remuneration pursuant to Shareholder's resolution dated September 18, 2021. The details of remuneration governing her appointment are as stated below:

Particulars	Remuneration (In ₹)
Remuneration	₹ 1.05 million per month (subject to annual increment)
Benefits	Incentives as approved by the Board and reimbursement of expenses incurred for operational activities of our Company

Rohan Ashwin Desai

Rohan Ashwin Desai has been a director of our Company since January 23, 2013. He was appointed as Executive Director of our Company with effect from January 23, 2013. He was re-appointed as a Whole-time Director pursuant to resolution by the Board dated September 4, 2021, and Shareholder's resolution dated September 18, 2021 for a period of five years commencing from October 1, 2021 until September 30, 2026. The Shareholders have approved his remuneration pursuant to Shareholder's resolution dated September 18, 2021. The details of remuneration governing his appointment are as stated below:

Particulars	Remuneration (In ₹)
Remuneration	₹ 1.49 million per month (subject to annual increment)
Benefits	Incentives as approved by the Board and reimbursement of expenses incurred for operational activities of our Company

Dr. Aman Ashvin Desai

Dr. Aman Ashvin Desai has been a director of our Company since August 25, 2014. He was appointed as a Whole-time Director pursuant to resolution by the Board dated September 4, 2021, and Shareholder's resolution dated September 18, 2021 for a period of five years commencing from October 1, 2021 until September 30, 2026. The Shareholders have approved his remuneration pursuant to Shareholder's resolution dated September 18, 2021. The details of remuneration governing his appointment are as stated below:

Particulars	Remuneration (In ₹)
Remuneration	₹ 1.58 million per month (subject to annual increment)
Benefits	Incentives as approved by the Board and reimbursement of expenses incurred for operational activities of our Company

Remuneration of the Executive Directors

Set out below are the details of the remuneration paid to our Executive Directors in Fiscal 2023:

Name of Director	Remuneration paid in Fiscal 2023 (in ₹ million)
Ashwin Jayantilal Desai	13.65
Rohan Ashwin Desai	19.47

Name of Director	Remuneration paid in Fiscal 2023 (in ₹ million)
Purnima Ashwin Desai	13.65
Dr. Aman Ashvin Desai	20.48

Remuneration of the Non-Executive Directors

The remuneration paid to the Non-Executive Directors, including Independent Directors, by way of sitting fees is ₹ 50,000 per meeting for the Board Meeting. The following table sets forth the sitting fees paid by our Company to Non-Executive Directors, including Independent Directors, for the Fiscal 2023, Fiscal 2022, and Fiscal 2021:

(in ₹ million)

Name	Fiscal 2023	Fiscal 2022	Fiscal 2021
Kamalvijay Ramchandra Tulsian	0.53	0.48	0.10
Ishita Surendra Manjrekar	0.32	0.38	0.00
Arun Brijmohan Kanodiya	0.60	0.65	0.10
Jeevan Lal Nagori	0.43	0.27	0.08
Leja Satish Hattiangadi*	0.32	0.25	Not applicable
Dr. Amol Arvindrao Kulkarni*	0.40	0.20	Not applicable
Rajkumar Mangilal Borana*	0.22	0.15	Not applicable
Jitendra Popatlal Vakharia*	0.25	0.15	Not applicable

**Appointed in Fiscal 2022*

None of our Directors have received any commission or perquisites in last three Financial Years.

Key Managerial Personnel

In addition to our Chairperson, Managing Director, and Whole-Time Directors, whose details are set out in *"Board of Directors and Key Managerial Personnel - Brief profiles of our Directors"* on page 248, the brief profiles of our Key Managerial Personnel are given below:

Faiz Arif Nagariya is the Chief Financial Officer of our Company. He has been associated with our Company since June 07, 2019, and is currently serving as Chief Financial Officer since October 01, 2021. He is responsible for managing the financial functions of our Company. He is a Fellow Chartered Accountant (FCA) from the Institute of Chartered Accountants of India. He also holds a bachelor's degree in commerce, from University of Mumbai. He has previously worked with Ala Metals LLC, Dubai. The remuneration paid to him in Fiscal 2023 was ₹ 4.63 million. He was awarded CA CFO – for Emerging Corporates - Manufacturing & Infrastructure by the Institute of Chartered Accountants of India for acknowledging his exemplary contribution and professional excellence.

Chitrarth Rajan Parghi is the Company Secretary and Compliance Officer of our Company. He has been the Company Secretary of our Company since July 11, 2020. He handles secretarial functions for our Company. He holds a bachelor's degree in Commerce from Veer Narmad South Gujarat University. He is a Fellow member of the Institute of Company Secretaries of India (FCS). He has previously worked with Mexus Corporation Private Limited and Stanrose Mafatlal Group. The remuneration paid to him in Fiscal 2023 was ₹ 0.78 million.

Relationship of Key Managerial Personnel

Except as disclosed in *"Board of Directors and Key Managerial Personnel - Relationship between Directors"* on page 250, none of our Key Managerial Personnel are related to each other.

Shareholding of Key Managerial Personnel

Except as disclosed below and in *"Shareholding of Directors and Promoters*" on page 251, as of the date of this Placement Document, none of our Key Managerial Personnel hold any Equity Shares in our Company.

Sr. No.	Name	Number of Equity Shares held	Percentage of the issued and paid-up Equity Share capital (in %)
1.	Purnima Ashwin Desai	32,057,403	25.75
2.	Ashwin Jayantilal Desai	6,720,417	5.40
3.	Rohan Ashwin Desai	2,221,681	1.78
4.	Dr. Aman Ashvin Desai	110,000	0.09

Sr. No.	Name	Number of Equity Shares held	Percentage of the issued and paid-up Equity Share capital (in %)
5.	Kamalvijay Ramchandra Tulsian	11,690	0.01
6.	Faiz Arif Nagariya	1,927	0.00
7.	Chitrarth Rajan Parghi	905	0.00

Interest of our Key Managerial Personnel

Except as stated below and in the section entitled "*Related Party Transactions*" on page 97, our Key Managerial Personnel do not have any other interest in our Company or its business.

Except for Faiz Arif Nagariya and Chitrarth Rajan Parghi who have been allotted ESOPs, the Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and to the extent of the Equity Shares held by them or their dependants in our Company, if any, and any dividend payable to them and other distributions in respect of such Equity Shares.

Except as disclosed in "*Board of Directors and Key Managerial Personnel - Terms of Appointment of our Executive Directors*" on page 251, our Company does not have any bonus or profit-sharing plan with its Directors or Key Managerial Personnel.

Senior Management Personnel

In addition to the Key Managerial Personnel whose details are mentioned in *"Board of Directors and Key Managerial Personnel - Key Managerial Personnel"* on page 253, set our below are the brief profiles of the Senior Management Personnel of our Company:

Dr. James Ringer is the Business Development Leader (Americas) of our Company. He holds a bachelor's degree of Science in Chemistry from Purdue University (USA) and a Doctor of Philosophy (PhD) degree in Organic Chemistry from University of Wisconsin (USA). He has multiple decades of experience in the chemical industry. Before joining our Company, Dr. James Ringer has previously worked at Asphalt Materials, Inc. and the Dow Chemical Company and its subsidiaries, for more than 30 years, in various positions including Director R&D, R&D Director II, and Leader R&D Director. He is the co-inventor on 22 patents granted in USA and published worldwide.

Raymond Paul Roach is the Business Development Leader (Americas) of our Company. He holds a bachelor's degree in Science and a master's degree of Science in Chemical Engineering from the University of Pittsburgh (USA). He has multiple decades of experience in the chemical industry. Before joining our Company, Raymond Paul Roach has previously worked at The Dow Chemical Company (USA). Raymond Paul Roach is the co-inventor on 7 patents granted in USA and published worldwide.

Dr. Norbert Flüggen is the Business Development Leader (Europe) of our Company. He holds a diploma in Physics and a Doctorate of Natural Sciences (PhD) degree from the University of Hannover (Germany). He has multiple decades of experience in the chemical industry. Before joining our Company, Dr. Norbert Flüggen has previously worked at with ALTANA, AG, Germany.

Shareholding of Senior Management Personnel

As of the date of this Placement Document, none of our Senior Management Personnel hold any Equity Shares in our Company.

Management organization chart

Please see the management organization chart given in the section entitled *"Organisational Structure"* on page 257.

Corporate governance

The Board of Directors presently consists of 12 Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has six Independent Directors and three women Directors. Our Company is in compliance with the corporate governance requirements including the constitution of Board and committees thereof, as prescribed under the Companies Act and SEBI Listing Regulations.

Committees of the Board of Directors

The Board of Directors have constituted committees, which function in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations. The following table sets forth the members of the aforesaid committees as of the date of this Placement Document:

Committee	Members
Audit Committee	Arun Brijmohan Kanodiya (Chairperson), Jeevan Lal Nagori and Jitendra Popatlal Vakharia
Nomination and Remuneration Committee	Arun Brijmohan Kanodiya (Chairperson), Kamalvijay Ramchandra Tulsian and Dr. Amol Arvindrao Kulkarni
Stakeholders' Relationship Committee	Kamalvijay Ramchandra Tulsian (Chairperson), Rohan Ashwin Desai, Ishita Surendra Manjrekar, Arun Brijmohan Kanodiya, Leja Satish Hattiangadi and Rajkumar Mangilal Borana
Risk Management Committee	Dr. Aman Ashvin Desai (Chairperson), Ashwin Jayantilal Desai, Rohan Ashwin Desai, Kamalvijay Ramchandra Tulsian and Arun Brijmohan Kanodiya
Corporate Social Responsibility Committee	Purnima Ashwin Desai (Chairperson), Kamalvijay Ramchandra Tulsian, Jeevan Lal Nagori, Leja Satish Hattiangadi and Jitendra Popatlal Vakharia

Other confirmations

Except as disclosed in this Placement Document, and except to the extent of shareholding in our Company, our Directors, Promoters, Key Managerial Personnel or Senior Management Personnel do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

All Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Our Promoters, Directors and Key Managerial Personnel do not intend to subscribe to the Issue and will not participate in the Issue.

Neither our Company, nor any of our Directors or Promoters have been categorized as a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the Reserve Bank of India. Further, none of our Company, Directors or Promoters have been categorised as a fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoters have been debarred from accessing capital markets under any offence under any order or direction made by SEBI.

None of our Directors or Promoters have been declared as a Fugitive Economic Offender.

As on the date of this Placement Document, there are no outstanding stock option plan or scheme, except as stated below:

KMP/SMP	Outstanding options
Dr. James Ringer	12,461
Dr. Norbert Flüggen	12,461
Raymond Paul Roach	12,461
Chitrarth Rajan Parghi	1,376
Faiz Arif Nagariya	10,219

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

Chapter IV of the SEBI Insider Trading Regulations applies to our Company and its employees and requires our Company to implement codes of fair disclosure and conduct for the prevention of insider trading. In compliance with the SEBI Insider Trading Regulations, our Company has in place a comprehensive Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The aforementioned Code is posted on the website of our Company at the link: www.aether.co.in.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Financial Years, immediately preceding the year of circulation of this Placement Document, please see the section entitled "*Related Party Transactions*" on page 97.

ORGANISATIONAL STRUCTURE

Corporate history

Our Company was incorporated as Aether Industries Limited on January 23, 2013, at Surat, Gujarat as a public limited company under the Companies Act, 1956 and received the certificate for commencement of business from the Registrar of Companies, Gujarat at Ahmedabad, on March 18, 2013. The Registered and Corporate Office of our Company is located at Plot No. 8203, GIDC Sachin, Surat – 394 230, Gujarat, India.

Changes in Registered Office

The Registered and Corporate Office of our Company changed from SY. No. 35, Plot No. 40, "Aangan", Jaldarshan Society, BH Gokul Row House, Umra, Surat – 395 007, Gujarat, India to Plot No. 8203, GIDC Sachin, Surat – 394 520, Gujarat, India for operational purposes. Further, our registered office changed from Plot No. 8203, GIDC Sachin, Surat – 394 520, Gujarat, India to Plot No. 8203, GIDC Sachin, Surat – 394 230, Gujarat, India, pursuant to a resolution of the board dated February 11, 2019, and with effect from May 1, 2019, on account of correction of the postal code mentioned in the address.

Our Subsidiaries

As on date of this Placement Document, our Company has one Subsidiary, namely, Aether Speciality Chemicals Limited incorporated on September 2, 2022, and having its registered office at Survey No. 35, Plot No. 40, Jaldarshan Society, Behind Gokul Row House, Umra, Surat – 395007, Gujarat.

Our Associates

As on the date of this Placement Document, our Company does not have any associates.

Our Joint Venture

As on the date of this Placement Document, our Company does not have any joint ventures.

Management Organisation Chart

The organisational structure of our Company as on this Placement Document is as follows:

Kamalvijay Ramchandra Tulsian
Chairman and Non-Executive Director

Ashwin Jayantilal Desai
Founding Promoter and Managing Director

Purnima Ashwin Desai Whole Time Director (Promoter)	**Rohan Ashwin Desai** Whole Time Director (Promoter)	**Aman Ashvin Desai** Whole Time Director (Promoter)	**Ishita Surendra Manjrekar** Non-Executive Director	**Arun Brijmohan Kanodiya** Non-Executive and Independent Director
Jeevan Lal Nagori Non-Executive and Independent Director	**Leja Satish Hattiangadi** Non-Executive and Independent Director	**Amol Arvindrao Kulkarni** Non-Executive and Independent Director	**Jitendra Popatlal Vakharia** Non-Executive and Independent Director	**Rajkumar Mangilal Borana** Non-Executive and Independent Director
Faiz Arif Nagariya Chief Financial Officer	**Dr. James Ringer** Business Development Leader (Americas)	**Dr. Norbert Fluggen** Business Development Leader (Europe)	**Mr. Raymond Roach** Business Development Leader (Americas)	**Chitrarth Rajan Parghi** Company Secretary & Compliance Officer

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company as on March 31, 2023 is set forth below:

Table I - Summary Statement holding of specified securities:

Category of shareholder	No. of shareholders	No. of fully paid-up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of Locked in Shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total shares held (b)	
(A) Promoter & Promoter Group	14	108,416,402	108,416,402	87.07	108,416,402	87.07	24,896,535	22.96	108,416,402
(B) Public	53,442	16,094,319	16,094,319	12.93	16,094,319	12.93	-	-	16,094,319
(C1) Shares underlying DRs	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-
(C) Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-
Grand Total	**53,456**	**124,510,721**	**124,510,721**	**100.00**	**124,510,721**	**100.00**	**24,896,535**	**22.96**	**124,510,721**

Note: C=C1+C2
Grand Total=A+B+C

Table II - Statement showing shareholding pattern of our Promoters and Promoter Group:

	Category and name of the shareholder s	Entity type i.e. Promoters OR Promoter Group entity (except Promoters)	No. of shareholders	No. of fully paid- up equity shares held	Partly paid- up equity shared held	No. of shares underlying Depository Receipts	Total no. of shares held	Share holding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities				No. of shares underlying outstanding convertible securities (as a percentage of diluted share capital	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form
									No. of voting rights			Total as a % of Total voting rights							
									Class X	Class Y	Total				No.	As a % of total shares held	No.	As a % of total shares held	
1)	Indian																		
(a)	Individuals/ Hindu undivided Family	P+G	9	41,151,666	-	-	41,151,666	33.05	41,151,666	-	41,151,666	33.05	-	-	24,896,535	22.96	-	-	41,151,666
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	P	4	67,154,736	-	-	67,154,736	53.93	67,154,736	-	67,154,736	53.93	-	-	-	-	-	-	67,154,736
	Sub-Total (A)(1)		**13**	**108.306,402**	**-**	**-**	**108.306,402**	**86.98**	**108.306,402**	**-**	**108.306,402**	**86.98**	**-**	**-**	**24,896,535**	**22.96**	**-**	**-**	**108.306,402**
2)	Foreign																		
(a)	Individuals (Non- Resident Individuals/ Foreign individuals)	P	1	110,000	-	-	110,000	0.09	110,000	0	110,000	0.09	-	-	-	-	-	-	110,000
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Category and name of the shareholder s	Entity type i.e. Promoters OR Promoter Group entity (except Promoters)	No. of shareholders	No. of fully paid- up equity shares held	Partly paid-up equity shared held	No. of shares underlying Depository Receipts	Total no. of shares held	Share holding % calculated as per SCRR, 1957	Number of voting rights held in each class of securities				No. of shares underlying outstanding convertible securities (as a percentage of diluted share capital	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form
									No. of voting rights			Total as a % of Total voting rights			No.	As a % of total shares held	No.	As a % of total shares held	
									Class X	Class Y	Total								
	Sub-total (A)(2)		**1**	**110,000**	**-**	**-**	**110,000**	**0.09**	**110,000**	**-**	**110,000**	**0.09**	**-**	**-**	**-**	**-**	**-**	**-**	**110,000**
	Shareholding of Promoters and Promoter Group (A)= (A)(1)+(A)(2)	**P+G**	**14**	**108,416,402**	**0**	**0**	**108,416,402**	**87.07**	**108,416,402**	**0**	**108,416,402**	**87.07**	**0**	**0**	**24,896,535**	**22.96**	**0**	**0**	**108,416,402**

Table III - Statement showing shareholding pattern of the Public shareholder:

Category and Name of the shareholder	No. of shareholders	No. of fully paid-up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of Locked in shares		No. of equity shares held in dematerialized form (Not Applicable)
							No. (a)	As a % of total Shares held (b)	
B1) Institutions									
Mutual Funds/	11	9,513,875	9,513,875	7.64	9,513,875	7.64	-	-	9,513,875
SBI Magnum Global Fund and Others	1	7,653,187	7,653,187	6.15	7,653,187	6.15	-	-	7,653,187
Alternate Investment Funds	2	933,611	933,611	0.75	933,611	0.75	-	-	933,611
Sub Total B1	**13**	**10,447,486**	**10,447,486**	**8.39**	**10,447,486**	**8.39**	**-**	**-**	**10,447,486**
Foreign Portfolio Investors Category I	10	1,913,950	1,913,950	1.54	1,913,950	1.54	-	-	1,913,950
Foreign Portfolio Investors Category II	1	32,945	32,945	0.03	32,945	0.03	-	-	32,945
Sub Total B2	**11**	**1,946,895**	**1,946,895**	**1.57**	**1,946,895**	**1.57**	**0**	**0**	**1,946,895**
Total (B1+B2)	**24**	**12,394,381**	**12,394,381**	**9.95**	**12,394,381**	**9.95**	**0**	**0**	**12,394,381**
B3) Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-
B4) Non-Institutions	-	-	-	-	-	-	-	-	-
KMP	2	2,832	2,832	0	2,832	0	-	-	2,832
Resident individual holding nominal share capital upto ₹ 2 Lakhs	51,880	2,299,120	2,299,120	0	2,299,120	1.85	-	-	2,299,120
Resident individual holding nominal share capital in excess of ₹ 2 Lakhs	3	110,733	110,733	0.09	110,733	0.09	-	-	110,733
Non-Resident Indians =(NRI)	536	61,988	61,988	0.05	61,988	0.05	-	-	61,988
Foreign Companies	2	949,166	949,166	0.76	949,166	0.76	-	-	949,166
Bodies Corporate	97	144,452	144,452	0.12	144,452	0.12	-	-	144,452
Any Other (specify)	898	131,647	131,647	0.11	131,647	0.11			131,647
Clearing Members	15	7,866	7,866	0.01	7,866	0.01	-	-	7,866
HUF	876	119,711	119,711	0.10	119,711	0.10	-	-	119,711
LLP	4	3,800	3,800	-	3,800	-	-	-	3,800
Bodies Corporate	1	50	50	-	50	-	-	-	50
Trusts	2	220	220	-	220	-	-	-	220
Sub Total B4	**53,418**	**3,699,938**	**3,699,938**	**2.97**	**3,699,938**	**2.97**	**-**	**-**	**3,699,938**
B=B1+B2+B3+B4	**53,442**	**16,094,319**	**16,094,319**	**12.93**	**16,094,319**	**12.93**	**-**	**-**	**16,094,319**

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

** - Disclosure of shareholder holding more than 1% of total number of shares*

Note

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(3) With respect to the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Table IV - Statement showing shareholding pattern of the Non – Promoters – Non-Public Shareholder:

Category and Name of the Shareholders (I)	No. of shareholders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of equity shares held in dematerialized form (IX)
C1) Custodian/DR Holder	0	0	0	0.00	0
C2) Employee Benefit Trust	0	0	0	0.00	0
C= C1+C2	0	0	0	0.00	0

Note:
1. PAN would not be displayed on website of Stock Exchange(s).
2. The above format needs to disclose name of all holders holding more than 1% of total number of shares
3. With respect to the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in this Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the BRLMs. Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard.

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" beginning on pages 282 and 292, respectively.

Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

This Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act and other applicable provisions, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, through the mechanism of a QIP wherein , a listed company may issue eligible securities to Eligible QIBs provided that certain conditions are met by such company. Some of these conditions are set out below:

- the Shareholders of our Company have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of this Issue including the date of passing the Board resolution, the kind of securities being offered and the price at which they are offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of Issue, the contribution made by the Promoters or Directors either as part of this Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which this Issue or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the QIP, are required to be listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its Shareholders for convening the meeting to seek approval of the Shareholders for the above-mentioned special resolution. This is not applicable to such Companies who propose to undertake qualified institutional placement for complying with the minimum public shareholding requirements specified in the Securities Contracts (Regulation) Rules, 1957;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or shall have withdrawn or abandoned such invitation or offer made by our Company, except as permitted under the Companies Act;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., the Preliminary Placement Document), our Company shall prepare and record a list of Eligible QIBs to whom this Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited.

- In accordance with the SEBI ICDR Regulations, securities will be issued, and allotment shall be made only in dematerialized form to the allottees; and

- the Promoters and Directors of our Company are not Fugitive Economic Offenders.

- the Promoters and Directors of our Company are not declared as wilful defaulters; and

- the Promoters and Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institutions or consortium, in terms of the RBI master circular dated July 1, 2016.

At least 10% of the Equity Shares issued to Eligible QIBs was made available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it was allotted to other Eligible QIBs.

Bidders were not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there was a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of our Company's Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations and we have offered a discount of ₹48.90 constituting 4.96% of the floor price. Our Board through its resolution dated May 6, 2023, and our Shareholders through a special resolution on June 16, 2023, have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price.

The Relevant Date mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the Board or the committee of directors duly authorised by the Board of our Company decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the Equity Shares of our Company of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the Relevant Date.

The securities will be allotted within 365 days from the date of the Shareholders' resolution approving the QIP, either in one or more tranches and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs. For details of Allotment, see *"Pricing and Allocation"* on page 275.

The Equity Shares issued pursuant to this Issue must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and

Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchange and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to this Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹2,500 million; and
- five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of this Issue. For details of what constitutes "same group" or "common control", see "*Bid Process – Application Form*" on page 272.

Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approvals of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to this Issue on the Stock Exchanges. We have filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

This Issue has been authorised and approved by our Board on May 6, 2023, and our Shareholders on June 16, 2023.

Allotments made to VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning this Issue.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S .state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined, and in reliance on, Regulations S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under *"Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions"* on pages 282 and 292, respectively

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the BRLMs, circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form were specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company has maintained complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom the Preliminary Placement Document and the serially numbered Application Form were dispatched or circulated,

as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act.

2. **The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered were determined by the BRLMs, in consultation with our Company, at their sole discretion. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, were addressed to a particular Eligible QIB, no invitation to subscribe was deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer was deemed to have been made to such person and any application that does not comply with this requirement has been treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constituted an irrevocable offer and could not be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids were being made on behalf of the Eligible QIB and this Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.**

3. Eligible QIBs were required to submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Issue Period to the BRLMs.

4. Bidders were required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to this Issue;

   - equity shares held by the Bidder in our Company prior to this Issue; and

   - it has agreed to certain other representations set forth in the Application Form and the Preliminary Placement Document. A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in the Preliminary Placement Document and in the Application Form.

   NOTE**:** *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Bidders were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "Aether Industries Limited - QIP Account" with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the

Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company was required to keep a record of the bank account from where such payment has been received. No payment was allowed to be made in this Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final trading approval from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Provided that upon receipt of the listing and trading approval from the Stock Exchanges, the Net Proceeds deposited in the Escrow Bank Account, shall be transferred to the monitoring proceeds account or any other account as may be mutually agreed between our Company and the Monitoring Agency. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in this Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in *"Issue Procedure - Refunds"* on page 277.

6. Once a duly completed Application Form was submitted by a Bidder and the Bid Amount was transferred to the Escrow Account, such application constituted an irrevocable offer, and the Bid was not allowed to be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount would have been required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date has been notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company is required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in this Placement Document and any other regulatory filing and consents to such disclosure, if any Equity Shares are allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid was allowed to be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund are treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form, whether signed or not, and the Bid Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company, in consultation with the BRLMs has determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to this Issue and Allocation. Upon such determination, the BRLMs, on behalf of our Company, will send the serially numbered CAN and this Placement Document to the Successful Bidders. The dispatch of a CAN, and this Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding, and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contained details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation has been made at the absolute discretion of our Company, in consultation with the BRLMs.**

10. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, on our behalf, sent a serially numbered Placement Document either in electronic form or through

physical delivery to each of the Successful Bidders who had been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approval in respect of the Equity Shares Allotted pursuant to this Issue.

13. After receipt of the listing approval of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approval from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to this Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in this Issue. Currently, QIBs, who are eligible to participate in this Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

a. alternative investment funds registered with SEBI;

b. Eligible FPIs;

c. insurance companies registered with Insurance Regulatory and Development Authority of India;

d. insurance funds set up and managed by army, navy or air force of the Union of India;

e. insurance funds set up and managed by the Department of Posts, India;

f. multilateral and bilateral development financial institutions;

g. Mutual Funds registered with SEBI;

h. pension funds with minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013;

i. provident funds with minimum corpus of ₹ 250 million;

j. public financial institutions, as defined under Section 2(72) of the Companies Act, 2013;

k. scheduled commercial banks;

l. state industrial development corporations;

m. the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;

n. venture capital funds registered with SEBI; and

o. systemically important non-banking financial companies

Allotments made to VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning this Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THIS ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs participated in this Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e., 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs were permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in this Issue in certain jurisdictions, see "*Selling Restrictions*" on page 282.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to this Issue, either directly or indirectly, to any Eligible QIB being a Promoter, or any person related to, the Promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoter:

(i) rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter group;
(ii) veto rights; or
(iii) a right to appoint any nominee director on the Board of our Company.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company, the BRLMs and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in this Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLMs who are Eligible QIBs may participate in this Issue in compliance with applicable laws.*

Bid Process

Application Form

Bidders were permitted to only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Bidder was deemed to have made all the following representations and warranties, acknowledgments and the representations, warranties and agreements made under "*Notice to Investors*", "*Representations By Investors*" and "*Selling Restrictions*" on pages 3, 5 and 282, respectively:

1. Each Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Bidder confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or members of the Promoter Group or persons related to the Promoters;

3. Each Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets;

5. Each Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Bidder confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to this Issue, if any. Each Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. Each Bidder confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "Proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that disclosure of such details as "Proposed Allottees" in this Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to this Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of this Issue. For the purposes of this representation:

QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

1. The Bidders acknowledge that no Allocation shall be made to them if the price at which they have Bid for in this Issue is lower than the Issue Price.

2. Each Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

3. Each Eligible FPI, confirms that it will participate in this Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

4. A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an "offshore transaction" under Regulation S and is not an affiliate of our Company or the BRLMs or a person acting on behalf of such an affiliate.

BIDDERS WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLMS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE REQUIRED TO ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLMS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs WHO SUBMITTED A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THIS ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in this Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder was deemed to be a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Company (by itself or through the BRLMs) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount were to be deposited in the Escrow Account as is specified in the Application Form and the Application Form was required to be submitted to the BRLMs either through electronic form or through physical delivery at the following address:

Name	Address	Contact Person	Website and Email	Phone (Telephone)
HDFC Bank Limited	Unit No. 401 & 402, 4th Floor, Tower B, Peninsula Business Park, Lower Parel, Mumbai- 400013, Maharashtra, India	Kushal Doshi	Website: www.hdfcbank.com Email: aether.qip@hdfcbank.com	+91 22 3395 8233
SBI Capital Markets Limited	1501, 15th Floor, Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400051	Sambit Rath/ Karan Savardekar	Website: www.sbicaps.com E-mail: aether.qip@sbicaps.com	+91 22 2217 8300

The BRLMs were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms were to be duly completed and Bidders Bidding in this Issue were to pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "Aether Industries Limited - QIP Account" with the Escrow Agent, in terms of the Escrow Agreement. Each Bidder was required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders could make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques were liable to be rejected. Further, if the payment was not made favouring the Escrow Account, the Application Form was liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "Aether Industries Limited - QIP Account" only for the purposes of (i) adjustment against Allotment of Equity Shares in this Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in this Issue.

Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in this Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in *"Issue Procedure– Refunds"* on page 277.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company has offered a discount of ₹48.90 constituting 4.96% of the Floor Price in accordance with the approval of our Shareholders, on June 16, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLMs, determined the Issue Price, which was above the Floor Price as adjusted for the discount.

The Relevant Date referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open this Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed this Placement Document with the Stock Exchanges.

Build-up of the Book

The Bidders were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids could not be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book has been maintained by the BRLMs.

Method of Allocation

Our Company has determined the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Bidders was made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size was undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with the BRLMs had the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLMS AND ELIGIBLE QIBs MAY NOT HAVE RECEIVED ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, decided the Successful Bidders. Our Company has dispatched a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them were notified to such Successful Bidders. The CAN also included details of amount to be refunded, if any, to such Bidders. Additionally, the CAN included the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document (when dispatched), to the Eligible QIBs is deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board has approved the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Issue.

By submitting the Application Form, an Eligible QIB were deemed to have made the representations and warranties as specified in section entitled "*Notice to Investors*" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to this Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel this Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to this Issue, our Company shall apply to the Stock Exchanges for listing approval and post receipt of the listing approval from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with this Issue with the RoC within the prescribed timelines under the Companies Act. Provided that upon receipt of the listing and trading approval from BSE, the Net Proceeds deposited in the Escrow Bank Account, shall be transferred to the monitoring proceeds account or any other account as may be mutually agreed between our Company and the monitoring agency.

7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed it with the Stock Exchanges as this Placement Document, which includes the names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. For further details, see sections entitled *"Capital Structure" and "Proposed Allottees in the Issue"* on pages 94 and 580. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in this Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder were lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or this Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in this Issue or if this Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at such rate and in such manner as prescribed under the Companies Act, 2013. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel this Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approval from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approval or cancellation of this Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing approval of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with this Issue with the RoC, whichever is later. Provided that upon receipt of the listing and trading approval from BSE and NSE, the Net Proceeds deposited in the Escrow Bank Account, shall be transferred to the monitoring proceeds account or any other account as may be mutually agreed between our Company and the monitoring agency.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLMs, could reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see *"Issue Procedure - Bid Process"* and *"Issue Procedure - Refunds"* on pages 272 and 277, respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to this Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to this Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLMs shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to this Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK-UP

Placement Agreement

The BRLMs have entered into the Placement Agreement dated June 19, 2023 with our Company, pursuant to which the BRLMs have agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription for the Equity Shares to be issued pursuant to this Issue on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, 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 being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.

Relationship with the BRLMs

In connection with this Issue, the BRLMs or their affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to this Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of this Issue and no specific disclosure will be made of such positions. Affiliates of the BRLMs may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section entitled "*Off-Shore Derivative Instruments*" on page 11.

From time to time, the BRLMs, and their affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiary, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLMs and its affiliates and associates.

Lock-up by Promoters

Our Company agrees that the Promoters will not, for a period of up to 30 days from the Closing Date, without the prior written consent of the Lead Managers, directly or indirectly: (a) sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; or (c) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, provided, however, that the foregoing restrictions shall not apply to (i) any sale, transfer or disposition of Equity Shares by the Promoters to the extent such sale, transfer or disposition is required under any direction of the RBI; and (ii) any inter se transfer of Equity Shares between the Promoters.

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations the Companies Act and Rule 14 of the PAS Rules. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under sections entitled "Notice to Investors" and "Representations by Investors" on pages 3 and 5, respectively.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. This Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under the section entitled *"Purchaser Representations and Transfer Restrictions"* on page 292.

Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Placement Document, and any offers made under the Preliminary Placement Document, you represent to our Company and the BRLMs that you will not provide this Placement Document or communicate any offers made under the Preliminary Placement Document to, or make any applications or receive any offers for the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the BRLMs) under this Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. All applications for investment should be received, and any allotments should be made, in each case from outside the Kingdom of Bahrain. This Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Issuer has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency has not reviewed, nor has it approved, this Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being, and may not be, offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Issuer. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), but only where the offer will be made to, and received by, the relevant BVI company entirely outside of the British Virgin Islands.

Canada

The Equity Shares will not be qualified for sale under the securities laws of any province or territory of Canada. The Equity Shares may only be offered, sold or distributed, directly or indirectly, in or to or for the benefit of a resident of, the Provinces of British Columbia, Alberta, Ontario or Québec, which is purchasing, or deemed to be purchasing, as a principal that is: (i) an accredited investor, as defined in National Instrument 45-106 Prospectus Exemptions ("**NI 45-106**") or sub-section 73.3(1) of the Securities Act (Ontario), and (ii) a permitted client, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and only through a dealer duly registered under the applicable securities laws of such provinces in circumstances where no exemption from the applicable registered dealer requirement is available. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Placement Document or any other offering material constituting an "offering memorandum" under applicable Canadian securities laws (including any amendment to any such documents) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the parties to this offering, including the Issuer and the BRLMs, as the case may be, are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of the Equity Shares.

Upon receipt of this Placement Document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Equity Shares described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de la document d'offre, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

People's Republic of China

The Preliminary Placement Document and this Placement Document do not constitute a public offer of the Equity Shares, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to this Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or

- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require the Issuer or the BRLMs to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the BRLMs and our Company that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in the Prospectus Regulation, each such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in this Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the BRLMs have been obtained to each such proposed offer or resale. Our Company, its directors, the BRLMs and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be offered or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

This Placement Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Placement Document is subject to Malaysian laws. This Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or offered to the public in Mauritius or used in connection with any such offer. This Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
(e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Sultanate of Oman

This Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**Oman CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of Equity Shares described in this Placement Document will not take place inside Oman. This Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof. This Issue does not constitute a public offer of the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "**CMAL**"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of Oman CMA. Additionally, this Placement Document and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Placement Document and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the CMAL) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar (excluding the Qatar Financial Centre)

This Placement Document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of this Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority ("**Saudi Arabia CMA**") pursuant to resolution number 3-123-2017 dated December 27, 2017 as amended by resolution number 1-104-2019 dated September 30, 2019, as amended (the "**CMA Regulations**"). The Saudi Arabia CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser.

Singapore

This Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore, and the Equity Shares will be offered pursuant to exemptions under the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"). Accordingly, the Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Placement Document or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
c) securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:
d) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
e) where no consideration is or will be given for the transfer
f) where the transfer is by operation of law
g) as specified in Section 267(7) of the SFA; or
h) As specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

South Africa

Due to restrictions under the securities laws of South Africa, the Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

(i) the offer, transfer, sale, renunciation or delivery is to:

(a) persons whose ordinary business is to deal in securities, as principal or agent;

(b) the South African Public Investment Corporation;

(c) persons or entities regulated by the Reserve Bank of South Africa;

(d) authorised financial service providers under South African law;

(e) financial institutions recognised as such under South African law;

(f) a wholly-owned subsidiary of any person or entity contemplated (c), (d), or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or

(g) any combination of the person in (a) to (f); or

(ii) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "**South African Companies Act**")) in South Africa is being made in connection with the issue of the Equity Shares. Accordingly, this Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the Equity Shares in South Africa constitutes an offer of the Equity Shares in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from "offers to the public" set out in section 96(1)(a) of the South African Companies Act. Accordingly, this Placement Document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as "SA Relevant Persons"). Any investment or investment activity to which this Placement Document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Placement Document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue or us have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and this Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and this Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

The Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Equity Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with this Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to non-natural person "Qualified Investors" (as such term is defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

In relation to its use in the UAE, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

United Kingdom

The communication of this Placement Document and any other document or materials relating to the issue of the Equity Shares offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. In the United Kingdom, this Placement Document is being distributed only to, and is directed only at those (i) who have professional experience in matters relating to investments and who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the Equity Shares in the United Kingdom within the meaning of the FSMA. Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this Placement Document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this Placement Document relates to may be made or taken exclusively by relevant persons.

In addition, in relation to the United Kingdom, no offer of Equity Shares which are the subject of the offering contemplated by this Placement Document to the public may be made in the United Kingdom other than:

(i) to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 ("EUWA");

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the Underwriters; or

(iii) in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Equity Shares shall require our Bank or any Underwriter to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Equity Shares means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

United States

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, 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. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see sections entitled "*Representations By Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 5, 282 and 292, respectively.

Other Jurisdictions

The distribution of this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in this Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see section entitled *"Selling Restrictions"* on page 282.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

By accepting delivery of this Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of our Company or the BRLMs and their respective affiliates shall have any responsibility in this regard.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in "offshore transactions" as defined in, and in reliance on, Regulation S, and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S) , and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S
- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It

is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the BRLMs for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution.

- It has been provided access to the Preliminary Placement Document and this Placement Document which it has read in its entirety.
- It agrees to indemnify and hold our Company and the BRLMs 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 and warranties. It will not hold our Company or the BRLMs liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised 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 acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by our Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that our Company and the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the BRLMs. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by our Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes our Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, by-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the Issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further, SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. In accordance with the SCRR, our Company is required to achieve at least 25% public shareholding within three years from the date of listing of our Equity

Shares on the Stock Exchanges, in the manner as specified under the SCRR and other applicable laws. This Issue is being undertaken towards meeting such compliance. However, we will not achieve 25% public shareholding post Allotment in this Issue. Subsequently, our Promoters and Promoter Group may be required to dilute their shareholding (in accordance with the methods prescribed under applicable laws) to ensure that our Company achieves 25% public shareholding on or before the timelines as mentioned above. Further, we cannot assure you that our Company will be able to achieve minimum public shareholding within three years from the date of listing of our Equity Shares and failure to comply with the minimum public shareholding requirements may result in certain adverse consequences and may also result in penal action being taken against us and our Promoters.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT + through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders, audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, *inter alia*, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for Promoters, members of the Promoter group, designated person or director in case value of trade exceed monetary threshold of ₹10 lakh over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. Further, on July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association and the Companies Act. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company is ₹1,475,000,000 divided into 147,500,000 Equity Shares of ₹ 10 each. For further information, see section entitled "*Capital Structure*" on page 94. Our issued, subscribed and paid-up share capital as of the date of this Placement Document is ₹ 1,245,107,210 divided into 124,510,721 Equity Shares of ₹ 10 each. The Equity Shares are listed and traded on BSE and NSE.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a smaller dividend in the general meeting. In addition, as is permitted by the Articles of Association, the Board of the Directors may declare interim dividend as appear to it be justified by the profits of our Company.

Further, as per the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, a company may declare dividend out of surplus, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding Financial Years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the Financial Year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15% of 'he company's paid up share capital as per the most recent audited financial statement of the company.

The Equity Shares issued pursuant to this Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalization of reserves and issue of bonus shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus ordinary shares, which are similar to stock dividend. These bonus ordinary shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations and the Companies Act, 2013.

Alteration of share capital

The Articles of Association authorize it to, from time to time, (a) consolidate and divide all or any of its share capital into shares of large amount than its existing shares; (b) sub-divide its share, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however that in the sub-division the proportion between the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and (c) cancel any shares, which at the date of the passing of the resolution in that behalf, have not be taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The resolutions whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub- division one or more of such shares shall have some preference or special advantage as regard dividend, capital, voting or otherwise over or as compared with others, subject to provisions of the Companies Act.

General meetings of shareholders

There are two types of general meetings of the shareholders: AGM and EGM.

Our Company must hold its AGM within six months after the expiry of each Fiscal Year provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Not less than twenty-one days' notice shall be given of every general meeting of our Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any such business consists of special business there shall be annexed to the notice a statement complying with provisions of Act. Notice of every meeting of our Company shall be given to every member of our Company, to the Auditors of our Company, and to any persons entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notices to such persons.

Register of shareholders and record dates

We are obliged to maintain a register of shareholders at our Registered and Corporate Office. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

Voting rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company. On a show of hands, every member holding equity shares and present in person shall have one vote and every person present either as a general proxy on behalf of a holder of equity shares, if he is not entitled to vote in his own right or as a duly authorised representative of a body corporate, shall have one vote. On poll conducted via e-voting or postal ballot, every member holding equity shares therein shall have voting rights in proportion to his share of the paid-up equity share capital.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event our Company has not affected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and any related SEBI guidelines issued in connection therewith.

Winding-up

In compliance with our Articles of Association, Companies Act, the Insolvency and Bankruptcy Code, 2016, each as amended and to the extent applicable, if our Company is to be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the shares held by them respectively.

STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors
Aether Industries Limited
Plot No. 8203, GIDC,
Sachin, Surat- 394230
Gujarat, India

HDFC Bank Limited
Investment Banking Group
Unit No. 401 & 402, 4th Floor,
Tower B, Peninsula Business Park,
Lower Parel, Mumbai-400013,
Maharashtra, India

SBI Capital Markets Limited
202, Maker Tower 'E',
Cuffe Parade, Mumbai - 400 005
Maharashtra, India

(**HDFC Bank Limited** and **SBI Capital Markets Limited** are collectively referred to hereinafter as the "**Book Running Lead Managers**")

Sub: Subject: Statement of tax benefits ("Statement") available to Aether Industries Limited (the "Company") and its shareholders prepared in accordance with the Securities Exchange and Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

Ladies and Gentlemen,

We, Birju S. Shah & Associates, the statutory auditors of the Company, hereby consent to the use of the Statement of Tax Benefits dated June 19, 2023 to be included in the Preliminary Placement Document and Placement Document (together referred to as "**Offering Documents**") of the Company to be filed with National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), in relation to the qualified institutions placement of equity shares of face value of ₹10 of the Company (the "**Placement**").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act which are based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexure I** are not exhaustive. We were informed that this statement covers the possible tax benefits available to the Company and its shareholders and is only intended to provide general information to the investors for the Placement and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Placement.

We confirm that Annexure I provide in all material respects the possible tax benefits available to the Company or its shareholders in accordance with the applicable tax laws as on the date of this certificate.

We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future; or

2. The conditions prescribed for availing the benefits have been/ would be met with.

3. The revenue authorities/courts will concur with the views expressed therein

The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("**ICAI**") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

We hereby confirm that the enclosed statement is in connection with the possible tax benefits available to the Company, the shareholders of the Company, under the Income Tax Act, 1961, as amended (the "Act"), presently in force in India, the Finance Act, 2023, Goods and Service Tax Act, 2017, Customs Act 1962, each as amended, presently in force in India as on the date of this certificate in the enclosed statement at Annexure I.

We also consent to include our name as "Expert" as described under Section 2(38) and Section 26 of the Companies Act, 2013, as amended, in the Offering Documents and all the other related documents pertaining to the transaction, for the purpose of issuance of the Statement of Tax Benefit referred above.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

The consent has been issued at the request of the Company for use in connection with the Placement and may accordingly be furnished as required to the Stock Exchanges or any other regulatory authorities as required. The aforesaid information may be relied upon by the Company, the Book Running Lead Managers, legal counsel and other advisors or intermediaries appointed pursuant to the Placement, and we undertake to immediately intimate the Book Running Lead Managers, legal counsel and other advisors or intermediaries in case of any changes to the above. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

For Birju S. Shah & Associates
ICAI Firm Registration Number: 131554W

Proprietor
Membership No. 107086
Place: Surat
UDIN: 23107086BGVLAO5144

Annexure I

1. Under the Income Tax Act, 1961 (hereinafter referred to as the "IT Act")

1. Possible tax benefits available to the Company under the IT Act

   Benefit available under section 115BAA of the IT Act

   a) Section 115BAA of the IT Act, provides that a domestic company can opt for a tax rate of 22% (plus applicable surcharge and cess) from FY 2019-20 onwards, provided the total income of such company is computed without claiming certain specified incentives/ deductions, as specified under section 115BAA(2) of the IT Act.
   b) Further, in case the Company opts for section 115BAA of the IT Act, the provisions of Minimum year(s) is not available for carry forward and set-off.
   c) We have been informed by the Company that it has opted for the concessional tax rate regime as specified above. The option cannot be subsequently withdrawn for the same or any other tax year. Hence, the Company will continue to compute taxes at the rate of 22% (plus applicable surcharge and cess) under section 115BAA of IT Act as aforesaid.

   Deduction under section 35(2AB) of the Act:

   Under section 35(2AB) of the Act, the company is entitled to a deduction equal to 100% of the capital expenditure incurred of the nature specified in the said section, towards the in-house Research & Development unit.

2. Possible tax benefits available to the Shareholders under the IT Act

   Capital Gains:

   a) Section 112A provides that long term capital gains arising from transfer of a long-term capital asset being an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% without indexation for such capital gains exceeding one lakh rupees. The concessional rate of 10% shall be available only if securities transaction tax (STT) has been paid on both acquisition and transfer in case of equity shares and on transfer in case of sale of units of equity-oriented mutual funds or units of business trust.
   b) Also, as per section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity-oriented fund, where the transaction of such sales is subject to STT, shall be chargeable to income- tax at a concessional rate of 15% (plus applicable surcharge and education cess).

   To shareholders who are Mutual funds:

   a) In terms of section 10(23D) of the IT Act, mutual funds registered under the Securities and Exchange Board of India Act 1992 and such other mutual funds set up by public sector banks or public financial institutions authorized by the Reserve Bank of India and subject to the conditions specified therein, are eligible for exemption from income tax on their entire income, including income from investment in the shares of the Company.

   To venture capital companies/ investment funds:

   a) Any income received by venture capital companies or venture capital funds set up to raise funds for investment in a venture capital undertaking registered with the Securities and Exchange Board of India, subject to conditions specified in section 10(23FB) of the IT Act, is eligible for exemption from income-tax. However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipient.

b) According to Section 115U of the IT Act, any income accruing or arising to or received by a person from his investment in venture capital companies/ funds would be taxable in his hands in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly in the venture capital undertaking.

c) Under section 10(23FBA) of the IT Act, any income except for income under the head "Profits and Gains of Business/ Profession" of Venture Capital Funds, registered as category-I or category-II Alternative Investment Fund under the Securities and Exchange Board of India (Alternate Investment Fund) regulations, 2012 would be exempt from income tax, subject to conditions specified therein.

d) As per section 115UB of the IT Act, any income accruing or arising to or received by a person from his investment in investment funds would be taxable in his hands in the same manner as if it were the income accruing/ arising/received by such person had directly made the investments.

Notes:

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24.

4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

LEGAL PROCEEDINGS

Our Company is involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, civil suits, criminal proceedings, regulatory proceedings and tax disputes pending before various authorities. These legal proceedings may have been initiated by us or by customers, regulators, or other parties, and are pending at different levels of adjudication before various courts, quasi-judicial bodies, tribunals, enquiry officers and appellate tribunals.

Notwithstanding such materiality policy approved by the Board, solely for the purpose of this Issue, in accordance with the resolution passed by our Board on June 19, 2023, except as disclosed in this section, there are no: (i) outstanding criminal litigation proceedings involving our Company and Subsidiary (includes cases filed by and against); (ii) outstanding actions initiated (including any notices received) by any regulatory and/or statutory authorities such as SEBI or such similar authorities or Stock Exchanges, involving our Company and Subsidiary; (iii) outstanding tax (both direct and indirect taxes) proceedings (including show cause notices) involving our Company and Subsidiary; (iv) outstanding civil litigation involving our Company and Subsidiary (includes cases filed by and against), where the amount involved exceeds ₹ 13.04 million which is 1.00% of our Company's consolidated profit after tax as per the Audited Consolidated Financial Statements of our Company for the Financial Year ended March 31, 2023; (v) other civil proceedings involving our Company and Subsidiary where the aggregate amount involved is not quantifiable, or which does not exceed the threshold as specified in (iv) above, but which, in the view of our Company, could have a material adverse effect on the business or operations of our Company and Subsidiary, including penalties and proceedings under environmental laws and labour laws, whether quantifiable or not; and (vi) litigation proceedings involving the Promoters or Directors which, if result in an adverse outcome, would materially and adversely affect the financial position, business, operations, prospects or reputation of our Company.

As on the date of this Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's "Policy for Determining Materiality of any Event" framed in accordance with Regulation 30 of the SEBI Listing Regulations.

Further, other than as disclosed in this section, (i) there is no litigation or legal actions, pending or taken, by any ministry or department of the Government or a statutory authority against any of our Promoters during the last three years immediately preceding the year of the issue of this Placement Document and no directions have been issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last three years immediately preceding the year of issue of this Placement Document involving our Company and its Subsidiary, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the issue of this Placement Document involving our Company and its Subsidiary; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon; and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act or the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of the issue of this Placement Document.

I. Tax proceedings involving our Company

(in ₹ million)

Particulars	No. of cases	Amount Involved
Direct Tax	1	0.86
Indirect Tax	-	-
Total	**1**	**0.86**

II. Tax proceedings involving our Subsidiary

(in ₹ million)

Particulars	No. of cases	Amount Involved
Direct Tax	-	-
Indirect Tax	-	-
Total	-	-

INDEPENDENT AUDITORS

M/s. Birju S. Shah & Associates, Chartered Accountants, are Statutory Auditors with respect to our Company, as required by the Companies Act and in accordance with the guidelines issued by the ICAI.

The Audited Consolidated Financial Statements of our Company as of March 31, 2023, the Audited Standalone Financial Statements for as of March 31, 2023 and 2022, and the Special Purpose Audited Standalone Ind AS Financial Statements for the Financial Year ended March 31, 2021, included in this Placement Document, have been audited by M/s. Birju S. Shah & Associates, Chartered Accountants, as stated in their report included in section entitled "*Financial Statements*" beginning on page 309, which contain other matters paragraphs that state their reports are based upon reports of other auditors.

GENERAL INFORMATION

1. Our Company was originally incorporated as Aether Industries Limited on January 23, 2013, at Surat, Gujarat, India as a public limited company under the Companies Act, 1956 and received the certificate for commencement of business from the Registrar of Companies, Gujarat at Ahmedabad on March 18, 2013. Our Registered and Corporate Office changed from SY. No. 35, Plot No. 40, "Aangan", Jaldarshan Society, BH Gokul Row House, Umra, Surat – 395 007, Gujarat, India to Plot No. 8203, GIDC Sachin, Surat – 394 520, Gujarat, India, for operational purposes. Further, our Registered and Corporate Office changed to Plot No. 8203, GIDC Sachin, Surat – 394 230, Gujarat, India on account of correction of the postal code.

2. The Registered and Corporate Office of our Company is situated at Plot No. 8203, GIDC Sachin, Surat – 394 230, Gujarat, India.

3. The CIN of our Company is L24100GJ2013PLC073434.

4. The Board of Directors has authorized this Issue in their meeting held on May 6, 2023, and it has been approved by our Shareholders through the AGM on June 16, 2023.

5. The Equity Shares are listed and permitted to trade on BSE and NSE since June 3, 2022.

6. The website of our Company is www.aether.co.in.

7. The authorized share capital of our Company is ₹ 1,475,000,000 divided into 147,500,000 Equity Shares of ₹ 10 each. For further information, see "*Capital Structure*" on page 94. Our issued, subscribed and paid-up share capital as of the date of this Placement Document is ₹1,245,107,210 divided into 124,510,721 Equity Shares of ₹ 10 each. The Equity Shares are listed and traded on BSE and NSE.

8. Our Company has received in-principle approvals under Regulation 28 of the SEBI Listing Regulations to list the Equity Shares on BSE and NSE, each dated June 19, 2023. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to this Issue on Stock Exchanges after Allotment of the Equity Shares in this Issue.

9. For the main objects of our Company, please refer to Memorandum of Association. Copies of Memorandum and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on all working days, except Saturdays and public holidays during the Issue Period at the Registered and Corporate Office.

10. Our Company has obtained necessary consents, approvals and authorizations, wherever applicable, in connection with this Issue.

11. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on this Issue. For further details, see "*Legal Proceedings*" on page 305.

12. Except as disclosed in the section entitled "*Risk Factors"* on page 52, there have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

13. Except as disclosed in this Placement Document, there has been no material change in the financial or trading position of our Company since the date of the of the audited financial statements filed with the Stock Exchanges in accordance with the requirements of the SEBI Listing Regulations.

14. In accordance with the SCRR, our Company is required to achieve at least 25% public shareholding within three years from the date of listing of our Equity Shares on the Stock Exchanges, in the manner as specified under the SCRR and other applicable laws. This Issue is being undertaken towards meeting such compliance. However, we will not achieve 25% public shareholding post Allotment in this Issue. Subsequently, our Promoters and Promoter Group may be required to dilute their shareholding (in accordance with the methods prescribed under applicable laws) to ensure that our Company achieves 25% public shareholding on or before the timelines as mentioned above. Further, we cannot assure you that our Company will be able to achieve minimum public shareholding within three years from the date of listing of our Equity Shares and failure to

comply with the minimum public shareholding requirements may result in certain adverse consequences and may also result in penal action being taken against us and our Promoters.

15. No change in control in our Company will occur consequent to this Issue.

16. The Floor Price for the Equity Shares under this Issue is ₹ 984.90 per Equity Share which has been calculated in accordance with Regulation 176 of the SEBI ICDR Regulations, as certified by our Statutory Auditors. Our Company has offered a discount of ₹48.90 constituting 4.96% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the approval of the Shareholders accorded through AGM on June 16, 2023.

17. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to this Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations

18. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

19. Chitrarth Rajan Parghi is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Chitrarth Rajan Parghi
Plot No. 8203, GIDC Sachin,
Surat – 394 230, Gujarat, India.
Telephone: +91 261 660 3360
E-mail: compliance@aether.co.in

FINANCIAL STATEMENTS

BIRJU S. SHAH & ASSOCIATES
113, INTERNATIONAL BUSINESS CENTRE, NR. BIG BAZAR,
PIPLOD, SURAT – 395 007.
Phone : (O) 91 99784 44603, (M) 91 98251 67067
Email :cabirjjushah@gmail.com, sarvam9@gmail.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Aether Industries Limited,
Surat

I. Audit Report on the Consolidated Annual Financial Statements

1. Opinion:

A. We have audited the accompanying consolidated annual financial statements of AETHER INDUSTRIES LIMITED (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), for the year ended 31 March 2023 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Discloser Requirements) Regulations, 2015, as amended from time ("Listing Regulations").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Annual Financial Statements:

a. include the annual financial statements of the following entities:
   - Aether Industries Limited (Holding Company)
   - Aether Speciality Chemical Limited (Subsidiary Company)

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard and give the information required by the Companies Act, 2013 ("the Act") in the manner so required

c. and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis of Opinion:

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the

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provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated annual financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

3. Management's and Board of Director's Responsibilities for the Consolidated Annual Financial Statements:

   The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial statements that give a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The responsibility also includes maintenance of adequate records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the consolidated annual financial statements, the Management and the Board of Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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The Board of Directors of the Group are responsible for overseeing the Companies' financial reporting process of the respective companies.

4. Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements

   A. Our objectives are to obtain reasonable assurance about whether the consolidated annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

   B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

      - Identify and assess the risks of material misstatement of the consolidated annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

      - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

      - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial statements made by the Management and Board of directors.

      - Conclude on the appropriateness of the Management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated annual financial statements, including the disclosures, and whether the consolidated annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us along with the consideration of our audit report on the subsidiary company is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

(A) As required by Section 143(3) of the Act, based on our audit and on separate financial statements of such subsidiary which were audited us, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.

b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and our report of the subsidiary.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

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d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and our report of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) In our opinion and according to the information and explanations given to us, the remuneration paid by the companies forming part of the Group to its Director's during the current year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The companies forming part of the Group do not have any pending litigations which would impact the financial position of the Group as at 31 March 2023.

ii. The companies forming part of the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies forming part of the Group .

iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The company has not declared or paid any dividend during the year in accordance with section 123 of the Companies Act 2013", Hence clause not applicable.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration Number: 131554W

Proprietor
Membership No. 107086

Place: SURAT.
Date: 06.05.2023
UDIN: 23107086BGVKZM1632

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ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of AETHER INDUSTRIES LTD for the year ended March 31, 2023.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) A. **whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;**

Yes, all the Capital Assets have been properly recorded containing details of quantity, situation and all other relevant particulars from which particular Asset can be identified.

B. **whether the company is maintaining proper records showing full particulars of intangible assets;**

Yes, the company is following proper harmonized system to record its Fixed Assets which demonstrate full particulars of the Assets.

(b) **whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt within the books of account;**

Yes, all the capitalized Assets are physically verified by the management.

(c) **Whether the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the consolidated financial statements are held in the name of the company, If not, provide the details thereof in the format below:-**

Yes, the Company has leasehold title of:

1. *Plot No. 8203, GIDC, Sachin, Suart - 394230*
2. *Plot No. 8202/1, GIDC Sachin, Surat – 394230*
3. *Plot No. 14+15, GIDC, Panoli, Bharuch.*

(d) **Whether the Company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;**

No, there is no revaluation in respect of Property, Plant and Equipment (including Right of Use assets) or intangible assets or both has been made during the year.

(e) **Whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions(Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, whether the Company has appropriately disclosed the details in its consolidated financial statements;**

No, there is no proceedings under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, have been initiated or are pending against the company till the audit period.

2. (a) **whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account;**

Yes, Inventory (Including but not limited to Raw Material, Semi-Finished and Finished Goods) has been properly verified by the management at reasonable intervals. No material discrepancies have been noticed during the course of audit. The physical verification for March 31, 2023 was also attended by the auditors.

(b) **whether during any point of time of the year, 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; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;**

Yes, the company has been sanctioned working capital limit exceeding five crores and quarterly returns and statements are in conformity with the books of accounts of the Company.

3. **whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so,-**

No, during the audit period, the Company has not made any investment in, provided any guarantee or security or granted, secure or unsecured, to companies, firms, LLP or any other parties. The company has a policy to give short term loans to the employees and proper documentation as well as policy of the company has been followed.

(a) **whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-**

A. **the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates;**

This particular clause is not applicable to the company for the audit period.

B. **the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;**

This particular clause is not applicable to the company for the audit period.

(b) whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

This particular clause is not applicable to the company for the audit period.

(c) in respect of loans and advances in the nature of loans whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;

In respect of loans provided to the employees of the company, a proper schedule of the repayment of loan has been stipulated and repayment or receipts are regular.

(d) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;

This particular clause is not applicable to the company for the audit period.

(e) whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [not applicable to companies whose principal business is to give loans];

This particular clause is not applicable to the company for the audit period.

(f) whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of Section 2 of the Companies Act, 2013;

This particular clause is not applicable to the company for the audit period.

4. in respect of loans, investments, guarantees, and security, whether provisions of Sections 185 and 186 of the Companies Act have been complied with, if not, provide the details thereof;

Yes, the provisions of Section 185 and 186 have been duly complied with.

5. in respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made there under, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not;

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This particular clause is not applicable to the company for the audit period.

6. **whether maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act and whether such accounts and records have been so made and maintained;**

Yes, the company has maintained proper cost records within the premises.

7 (a) **whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;**

Yes, all the statutory dues including GST, PF, ESI, Income Tax, custom duty, etc. have been deposited at regular intervals well within the due dates, during the audit period.

(b) **where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute);**

There are appeals pending in income tax for the Fiscal Years 2019-20. The disputed demand of Rs. 1,49,004/- for A.Y. 2017-18, Rs.9,36,080/- for A.Y. 2018-19 and Rs. 9,97,156/- for AY 2020-21 are outstanding.

8. **Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year;**

No such instances have been found.

9. (a) **whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below: -**

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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*	*Remarks, if any*
	**lender wise details to be provided in case of defaults to banks, financial institutions and Government*				
NA	*NA*	-	-	-	-

(b) whether the company is a declared willful defaulter by any bank or financial institution or other lender;

No.

(c) whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported;

Yes, disbursed amount of sanction for term loans have been utilized for the purpose for which the same has been sanctioned and obtained. Further, during the year under audit, the Company has paid off all the Term Loans from the IPO proceeds and then not availed any further term loans.

(d) whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated;

No.

(e) whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case;

No, the company has not taken any fund for the stated purpose.

(f) whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;

No. the company has not taken any fund for the stated purpose.

10. (a) whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised, if not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;

Yes, the Company has raised monies by way of Initial Public Offering (IPO) during the year and the monies so raised have been properly utilized towards the object clause of the offer document filed by the Company with SEBI and ROC.

(b) whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance;

The company has made preferential allotment or private placement of shares but not of convertible debentures (fully, partially or optionally convertible) during the year. The provision of Section 42 and 62 of the Companies Act, 2013 has been duly complied with.

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11. (a) **whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated;**

No any kind of such instances has been noticed during the course of audit.

(b) **whether any report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;**

No.

(c) **whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;**

No, such kind of instances have not been noticed during the course of audit.

12. (a) **whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability;**

This particular clause is not applicable to the company for the audit period.

(b) **Whether the Nidhi Company is maintaining ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;**

This particular clause is not applicable to the company for the audit period.

(c) **whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;**

This particular clause is not applicable to the company for the audit period.

13. **whether all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the consolidated financial statements, etc., as required by the applicable accounting standards;**

Yes, the provisions of Section 177 and 188 of the Companies Act, 2013 has been duly complied by the company and has also been duly disclosed in the consolidated financial statements as required by the Ind AS 24.

14. (a) **whether the company has an internal audit system commensurate with the size and nature of its business;**

Yes, the company has an adequate internal audit system which commensurate with the size and nature of its business.

(b) **whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;**

Yes, the internal auditor's report has been duly considered for statutory auditors.

15. **whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of Section 192 of Companies Act have been complied with;**

The company has not entered into any non-cash transactions with any directors or persons connected with them.

16. (a) **whether the company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained;**

This particular clause is not applicable to the company for the audit period.

(b) **whether the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;**

This particular clause is not applicable to the company for the audit period.

(c) **whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria;**

This particular clause is not applicable to the company for the audit period.

(d) **whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;**

This particular clause is not applicable to the company for the audit period.

17. **Whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses;**

No, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

18. **whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors;**

No, there is no resignation of statutory auditors during the year.

19. **on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the consolidated financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;**

Yes, as per the substantive analytical procedures, the company is in position to meet its liability exist on the date of balance sheet and when they fall due within a period of one year from the date of balance sheet.

20. (a) whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act;

Yes, the company has duly complied with the provisions of Section 135 of the companies act, 2013.

(b) whether any amount remaining unspent under sub-section (5) of Section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of Section 135 of the said Act;

This particular clause is not applicable to the company for the audit period.

21. Whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO Report containing the qualifications or adverse remarks.

This particular clause is not applicable to the company for the audit period.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration No. : 131554W

Place : Surat
Date : 06/05/2023
UDIN: **23107086BGVKZM1632**

Proprietor
Membership No. 107086

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT.

BIRJU S. SHAH & ASSOCIATES

113, INTERNATIONAL BUSINESS CENTRE, NR. BIG BAZAR, PIPLOD, SURAT – 395 007.

Phone : (M) 91 99784 44603, 91 98251 67067

Email: cabirjjushah@gmail.com, sarvam9@gmail.com

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **AETHER INDUSTRIES LTD.** ("The Company") as of 31 March 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

BIRJU S. SHAH & ASSOCIATES

113, INTERNATIONAL BUSINESS CENTRE, NR. BIG BAZAR,

PIPLOD, SURAT – 395 007.

Phone : (M) 91 99784 44603, 91 98251 67067

Email: cabirjjushah@gmail.com, sarvam9@gmail.com

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Birju S. Shah & Associates

Chartered Accountants

ICAI Firm Registration No. : 131554W

Proprietor

Membership No. 107086

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT.

Place : Surat

Date : 06/05/2023

UDIN: **23107086BGVKZM1632**

AETHER INDUSTRIES LIMITED
Annexure I - Consolidated Statement of Assets and Liabilities
(All amounts in Indian Rupees millions, unless otherwise stated)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,333.54	2,355.28
Capital work-in-progress	4	371.66	577.42
Right-of-use assets	5	1,122.55	211.21
Other intangible assets	6	5.83	4.49
Financial assets			
(i) Investments	7	2.10	2.09
(ii) Other financial assets	8	27.02	23.20
Other non-current assets	9	184.70	426.64
Total non-current assets		7,047.41	3,600.34
Current assets			
Inventories	10	2,487.66	1,627.44
Financial assets			
(i) Investments	11	10.01	170.11
(ii) Trade receivables	12	2,589.82	1,634.80
(iii) Cash and cash equivalents	13	709.08	33.39
(iv) Bank balances other than (iii) above	14	313.81	146.77
(v) Loans	15	11.38	8.36
(vi) Other financial assets	16	3.27	2.70
Other current assets	17	626.72	474.34
Total current assets		6,751.75	4,097.90
Total assets		13,799.16	7,698.25
EQUITY & LIABILITIES			
Equity			
Equity share capital	18	1,245.11	1,126.91
Other equity	19	11,200.95	2,741.97
Total equity		12,446.06	3,868.89
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	-	1,218.13
(ii) Lease liabilities	21	145.32	50.69
Deferred tax liabilities (net)	36 (d)	267.76	138.79
Total non-current liabilities		413.08	1,407.61
Current liabilities			
Financial liabilities			
(i) Borrowings	22	1.06	1,632.62
(ii) Lease liabilities	23	10.76	5.85
(iii) Trade payables	24		
a) total outstanding dues of micro enterprises and small enterprises		191.09	211.19
b) total outstanding dues of creditors other than micro enterprises and		624.09	487.35
(iv) Other financial liabilities	25	96.94	63.46
Other current liabilities	26	16.08	14.67
Provisions	27	-	-
Current tax liabilities (net)	36 (c)	-	6.61
Total current liabilities		940.02	2,421.75
Total liabilities		1,353.10	3,829.37
Total equity and liabilities		13,799.16	7,698.25

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached. 3 to 45

As per our report of even date attached

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

M. No. 107086 SURAT.

Place: Surat
Date: May 6, 2023
ICAI UDIN: 23107086BGVKZM1632

For and on behalf of Board of Directors of
Aether Industries Limited
CIN: L24100GJ2013PLC073434

CIN: L24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: May 6, 2023

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: May 6, 2023

AETHER INDUSTRIES LIMITED Authorised SURAT

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: May 6, 2023

Chitrarth Parghi
Company Secretary
Mem. No.: F12563
Place: Surat
Date: May 6, 2023

AETHER INDUSTRIES LIMITED

Annexure II - Consolidated Statement of Profit and Loss

(All amounts in Indian Rupees millions, unless otherwise stated)

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	28	6,510.74	5,900.47
Other Income	29	165.65	69.74
Total income		6,676.39	5,970.21
Expenses			
Cost of materials consumed operation and incidental cost	30	3,796.14	3,585.21
Changes in inventories of finished goods and work-in-progress	31	(622.76)	(704.88)
Employee benefits expense	32	344.57	270.44
Finance costs	33	50.93	131.21
Depreciation and amortisation expense	34	232.45	154.87
Other expenses	35	1,130.30	1,068.63
Total expenses		4,931.63	4,505.48
Profit before tax		1,744.76	1,464.73
Tax expense:	36		
Current tax		311.22	338.73
Deferred tax		129.39	36.72
Total Tax Expenses		440.61	375.45
Profit for the period (A)		1,304.15	1,089.29
Other comprehensive (loss) / income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		(1.67)	(1.98)
(i) Income tax relating to remeasurements of defined benefit liability / (asset)		0.42	0.50
Other comprehensive (loss) / income (B)		(1.25)	(1.48)
Total comprehensive income for the period (A+ B)		1,302.90	1,087.81
Earnings per equity share			
[nominal value of Rs. 10]	37		
Basic		10.47	9.67
Diluted		10.47	9.67

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached. 3 to 45

As per our report of even date attached

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

M. No. 107086 SURAT.

Place: Surat
Date: May 6, 2023
ICAI UDIN: 23107086BGVKZM1632

For and on behalf of the Board of Directors of
Aether Industries Limited
CIN: L24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: May 6, 2023

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: May 6, 2023

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: May 6, 2023

Chitrarth Parghi
Company Secretary
Mem. No.: F12563
Place: Surat
Date: May 6, 2023

AETHER INDUSTRIES LIMITED Authorised SURAT

AETHER INDUSTRIES LIMITED

Annexure III - Consolidated Statement of Changes in Equity

(All amounts in Indian Rupees millions, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the reporting period	112,691,397	1,126.91	10,098,567	100.99
Changes in equity share capital during the period	11,819,324	118.19	102,592,830	1,025.93
Balance at the end of the reporting period	124,510,721	1,245.11	112,691,397	1,126.91

For any subsequent event changes relating to share capital, refer note number 51(a).

(b) Other equity

Particulars	Reserves and surplus			Total other equity
	Employee Share Option Reserve	Securities premium	Retained earnings	
Balance at 1 April 2021		234.62	1,407.72	1,642.34
Total comprehensive income for the year ended 31 March 2022				
Profit for the period		-	1,089.29	1,089.29
Other comprehensive income (net of tax)				-
- Remeasurements of defined benefit liability / (asset)		-	(1.48)	(1.48)
Total comprehensive income	-	-	1,087.81	1,087.81
Other movements for the year ended 31 March 2022				
Utilized for the Issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)		(234.62)	(775.24)	(1,009.86)
Preferential Allotment of Shares (1607160 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share)		1,015.73	-	1,015.73
Shares based payment options outstnading (ESOPs valuation)	5.96			5.96
Balance at 31 March 2022	5.96	1,015.73	1,720.29	2,741.97
Balance at 1 April 2022	5.96	1,015.73	1,720.29	2,741.97
Total comprehensive income for the period ended 31 March 2023				
Profit for the period		-	1,304.15	1,304.15
Other comprehensive income (net of tax)				
- Remeasurements of defined benefit liability / (asset)		-	(1.25)	(1.25)
Other movements for the period ended 31 March 2023				
Preferential Allotment of Shares (2024921 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share)		1,279.75		1,279.75
Allotment of Shares in IPO (9766355 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share)		6,172.34		6,172.34
Shares based payment options outstnading (ESOPs exercised)	(5.92)	5.92		-
Shares based payment options outstnading (ESOPs valuation)	15.51			15.51
IPO Expenses		(319.91)		(319.91)
Allotment of Shares under exercise of ESOPs (28048 Equity Shares of Rs. 10 each at a Premium of Rs. 311 per share)		8.72		8.72
Changes in the Lease Liabilities			(0.33)	(0.33)
Total movements	9.60	7,146.82	1,302.57	8,458.98
Balance at 31 March 2023	15.55	8,162.55	3,022.86	11,200.96

Nature and purpose of reserves

i) Retained earnings

Retained earnings comprises of undistributed earnings after taxes

ii) Securities premium

Securities premium account is used to record the premium on issue of shares and the IPO expenses have been netted off from the same

iii) Employee share option

Employee share options pending to be exercised are recorded here

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

Notes to the financial statements

As per our report of even date attached.

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

M. No. 107086 SURAT.

SURAT

Place: Surat
Date: May 6, 2023
ICAI UDIN: 23107086BGVKZM1632

For and on behalf of the Board of Directors of
Aether Industries Limited
CIN: L24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: May 6, 2023

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: May 6, 2023

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: May 6, 2023

Chitrarth Parghi
Company Secretary
Mem. No.: F12563
Place: Surat
Date: May 6, 2023

AETHER INDUSTRIES LIMITED

Annexure IV - Consolidated Statement of Cash Flows
(All amounts in Indian Rupees millions, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Profit before tax	1,744.76	1,464.73
Adjustments to reconcile profit before tax to net cash flows:		
Net unrealised foreign exchange (gain)/loss	3.85	(7.28)
Finance costs	50.93	131.21
Interest income	(74.31)	(4.68)
Income from Mutual Funds	(8.55)	(3.23)
Depreciation and amortisation expenses	232.45	154.87
Operating profit before working capital changes	1,949.12	1,735.62
Movement in working capital:		
(Increase)/Decrease in trade receivables	(955.02)	(552.40)
(Increase) / Decrease in current investments	160.10	50.79
(Increase)/Decrease in inventories	(860.22)	(780.16)
(Increase)/Decrease in other current assets	(152.38)	(358.90)
(Increase)/Decrease in other financial assets	(7.41)	(5.29)
Increase/(Decrease) in trade payables	116.64	220.81
Increase/(Decrease) in other current liabilities	1.40	(26.45)
Cash generated from operations	252.24	284.03
Net income tax (paid)	(317.83)	(338.45)
Net cash from operating activities (A)	(65.59)	(54.42)
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(4,014.20)	(527.66)
Capital work in progress and capital advance	447.70	(989.66)
Dividend from current investments	82.86	7.90
Long Term Investments	(0.00)	-
Net cash used in investing activities (B)	(3,483.65)	(1,509.41)
C. Cash flows from financing activities		
Proceeds / (Repayment) from long-term borrowings	(1,510.33)	267.63
Proceeds / (Repayment) of borrowings (Unsecured)	(449.20)	323.50
Proceeds / (repayment) from working capital facilities (net)	(890.16)	177.62
Preferential allotment of Shares	1,300.00	1,031.80
IPO - allotment of Shares	6,270.00	-
ESOPs - allotment of Shares	9.00	-
IPO Expenses	(319.91)	-
Proceeds / (repayment) of Other Financial liabilities	33.48	19.03
Interest paid	(50.93)	(131.21)
Net cash used in financing activities (C)	4,391.96	1,688.37
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	842.73	124.54
Effect of exchange differences on account of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the beginning of the period / year	180.16	55.63
Cash and cash equivalents at the end of the period / year	1,022.89	180.16
Notes:-		
1. Cash and cash equivalents include		
Cash on hand	1.07	0.98
Balances with bank		
- Current accounts	2.05	0.01
- EEFC accounts	148.30	32.40
- Cash Credit accounts	557.66	-
Other bank balances	313.81	146.77
	1,022.89	180.16

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

Significant non-cash movement in investing and financing activities

	For the year ended 31 March 2023	For the year ended 31 March 2022
Foreign exchange fluctuations	(4.81)	0.08
Acquisition of Right-of-use assets with corresponding impact to lease liabilities	932.85	130.02

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report attached of even date

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: May 6, 2023
ICAI UDIN: 23107086BGVKZM1632

M. No. 107086 SURAT. BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Aether Industries Limited
CIN: L24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: May 6, 2023

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Place: Surat
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AETHER INDUSTRIES LIMITED Authorised SURAT

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: May 6, 2023

Chitrarth Parghi
Company Secretary
Mem. No.: F12563
Place: Surat
Date: May 6, 2023

AETHER INDUSTRIES LIMITED

Annexure V - Significant accounting policies

(All amounts in Indian Rupees millions, unless otherwise stated)

1 Reporting Entity

Aether Industries Ltd (Aether) was incorporated on January 23, 2013 as a Public Limited Company under the Companies Act, 1956. It is engaged in the business of Specialty Chemicals and Intermediates. The products of the Company find application in various sectors like Pharmaceuticals, Agrochemicals, Specialty, Electronic Chemicals, Material Sciences, High Performance Photography etc. The CIN of the Company is L24100GJ2013PLC073434.

Between the year 2013 and early year 2015, the Promoters acquired a leased premise at GIDC Industrial Estate, Hojiwala, Sachin, Surat and established their Laboratory, Research & Development and Pilot Plant facilities. The Promoters realized at the conceptual stage itself that Specialty Chemicals is essentially a "Research & Knowledge" driven Industry, and identification of the 'Chemistries' and 'Technologies' before constructing the main plant, through Laboratory/R&D/Pilot facilities was a necessary pre-requisite. The period up to 2015 was hence utilized for installing Lab/R&D/Pilot Plants, developing several products/processes (up to Pilot stage), showcasing the Company's capabilities through various International Exhibitions/Conferences etc., effecting trial samples/supplies, facing rigorous audits from prospective International Buyers etc.

After meeting with a fair degree of success and acceptance from the targeted buyers, the Company acquired about 10500 Sq. Mtrs. of land at the GIDC Industrial Estate, Sachin, Surat in February 2015 for setting up its main plant. The plant stood commissioned as per schedule, and the first stream went into operations in October 2016 / November 2016. Meanwhile, certain modifications /up-gradations /automations were carried out during implementation.

The Company was able to carry on with the success with which they started of with the first Project which was ready by November 2016, by way of achieving total revenues of Rs. 248.60 million in FY 2016-17, Rs. 1091.90 million in FY 2017-18, Rs. 2,032.77 million in FY 2018-19, Rs. 3,037.81 million in FY 2019-20 and Rs. 4,537.89 million in FY 2020-21 and Rs. 5,970.21 million in FY 2021-22.

The Company, because of its continuous growth and increasing demands for the products, along with the necessity to launch new products for various applications, is once again planning for yet another expansion. For the said new expansion, the Company has procured a Plot of Land in GIDC Industrial Estate, admeasuring 5250 Sq. Mtrs. and the same is located diagonally opposite tot he current location of the Company. The new plot acquired by the Company is 8202/1 and the current one is 8203. The plant at Plot 8202/1 has also been commissioned and started from Janaury 16, 2023.

The Company achieved Sales Turnover of Rs. 6,510.83 million and Total Revenue of Rs. 6,676.48 million in 2022-23 with an EBITDA Margin of 30.38%.

Production capacity of 6096 MTPA (March 31, 2022: 6096 MTPA) is available in our state-of-art and DCS automated manufacturing facilities. Aether is also a leading CRAMS (contract research and manufacturing services) provider, built upon technology intensive and state-of-art R&D and pilot plant facilities. All of our R&D, pilot, CRAMS, and large scale manufacturing facilities are capable of switching between batch and continuous process technology. The Production capacity of Plant is 3500 MTPA (March 31, 2022: NA).

Aether is based on a core competency model of cutting-edge chemistry and technology competencies.

Aether's business models include Large Scale Manufacturing of Speciality Chemicals, Contract Manufacturing and Contract Research And Manufacturing Services (CRAMS).

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT.

AETHER INDUSTRIES LIMITED Authorised SURAT

The Company, on September 2, 2022 has floated Aether Speciality Chemicals Limited (ASCL), which is a 100% Wholy Owned Subsidiary of Aether Industries Limited. This new subsidiary of the Company is firmed as a Public Limited Company under the Companies Act, 2013. ASCL will be engaged in the business of manufacture of speciality chemicals and intermediates, which will be new molecules. the CIN of the Company is U24290GJ2022PLC135180.

2 Summary of Significant Accounting Policies

The Consolidated Ind AS Financial Statements comprise of the Audited Statement of Assets and Liabilities as at March 31, 2023 and as at March 31, 2022, the related Consolidated Audited Ind AS Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year ended March 31, 2023 and March 31, 2022 respectively and the Significant Accounting Policies and Other Financial Information.

These Consolidated Financial Statements have been prepared as required under the SEBI ICDR Regulations prepared in terms of the requirements of: (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"); (b) relevant provisions of the SEBI ICDR Regulations; and (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

2.1 Basis of preparation and presentation of financial statements

Compliance with Ind AS:
The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2018 a the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

A. Basis of Preparation:

(i) The Consolidated Audited Ind AS Statement of Assets and Liabilities of the Company as at March 31, 2023 and March 31, 2022 respectively and the Consolidated Audited Ind AS Statement of Profit and Loss, Consolidated Audited Ind AS Statement of Changes in Equity and Consolidated Audited Ind AS Statement of Cash Flows for the year ended March 31, 2023 and March 31, 2022 respectively (hereinafter collectively referred to as "Ind AS Financial Information") have been prepared under Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act as amended from time to time.

(ii) The Consolidated Audited Financial Statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with recognition and measurement principles under Indian Accounting Standard ('Ind AS') 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 6, 2023.

The Board of Directors approved the Consolidated Financial Statements as per the Ind AS, for the year ended on March 31, 2023 along with Financial Statements for the year ended March 31, 2022 and authorised to issue the same vide resolution passed in the Board Meeting held on May 6, 2023.

B. Basis of measurement:

The Consolidated Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013. The exceptions to the same are:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and

- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of define benefit obligations.

M. No.
SURAT.
Authorised
AETHER INDUSTRIES LIMITED
SURAT

C. Current and non-current classification of assets and liabilities:

The Consolidated Assets and Liabilities and the Consolidated Statement of Profit & Loss, including related notes, are prepared and presented as per the requirements of Schedule III (Division II) to the Companies Act, 2013. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

D. Functional and presentation currency:

The functional and presentation currency in these Financial Statements is INR and all amounts are rounded to nearest millions, up to 2 decimal places, unless otherwise stated

E. Use of judgements, estimates and assumptions:

The preparation of Consolidated Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and the disclosure of the contingent liabilities on the date of the preparation of Financial Statements. Such estimates are on a reasonable and prudent basis considering all available information, however due to uncertainties about these judgements, estimates and assumptions, the actual results could differ from those estimates. Information about each of these estimates and judgements is included in relevant notes. Any revision to accounting estimates is recognised prospectively in current and future periods.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Financial Statements is included in the following notes:

Note Nos. 42 & 43- classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment, assumptions and estimation uncertainties are provided here, whereas the quantitative break-ups for the same are provided in the notes mentioned below:

- Note 3 and Note 6 - Useful life of depreciable assets, Property, Plant and Equipment and Other Intangible Assets.

- Note 38 - Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.

- Note 36 - Recognition of tax expenses including deferred tax.
- Note 45 - Defined benefit obligation, key actuarial assumptions.
- Note 12 - Impairment of trade receivables.
- Note 10 - Valuation of Inventories.

Going concern assumption:

These Consolidated Financial Statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the various situations, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this Financial Statements. Based on this evaluation, management believes that the Company will be able to continue as a "going concern" in the foreseeable future and for a period of at least twelve months from the date of these Consolidated Financial Statements based on the following:

- Expected future operating cash flows based on business projections, and
- Available credit facilities with its bankers

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Based on the above factors, the management has concluded that the "going concern" assumption is appropriate. Accordingly, the Financial Statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

Reclassification:
The company reclassifies comparative amounts, unless impracticable and whenever the company changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

Principles of consolidation:
The Consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transactio s and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's
accounting policies.

The Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same period end date as that of the holding company, i.e., year ended on 31 March 2023. The subsidiaries considered in the Consolidated financial statements are summarized below:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest
Aether Speciality Chemicals Limited	India	100%

In preparing the Consolidated financial statements, the Group has used the following key consolidation procedures:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the Consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding company of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it deconsolidates the subsidiary from the date it ceases control

• Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

• Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2.2 Property, Plant And Equipment:

Recognition and measurement:

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable import duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spares parts procured along with the Plant and Equipment or subsequently having value of Rs. 50,000 or more individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Subsequent costs:

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing the property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal:

An item of property, plant and equipment is derecognised upon the disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income / expenses in the statement of profit and loss.

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Depreciation:

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

The management has estimated the useful life of the Tangible Assets as mentioned below:

Asset Class	Years
Factory Building	30
Other Building	10
Plant & Machinery	20
Plant & Machinery (Pipelines)	15
Office Equipment	5
Factory Equipment	10
Computer Equipment (Servers & Networks)	6
Computer Equipment (Others)	3
Other Equipment	10
Furniture & Fixtures	10
Vehicle Equipment	8

Impairments of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount, Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.3 Intangible Assets:

Recognition and measurement:

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually, either individually or at the cash-generating unit level.

Expenditure on Research activities is recognised in the statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

Subsequent measurement:
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation:
The useful lives of intangible sets are assessed as either finite of indefinite.

Intangible assets i. e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life of the Intangible Assets as mentioned below:

Asset Class	Years
Software & Licenses	6
Trade Marks	4
Other Assets	4

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Disposal:
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 and loss when the asset is derecognized.

2.4 Financial Assets:

A. Fair Value Assessment:
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

B. Subsequent Measurement:
For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

C. Financial assets measured at amortized cost:

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. 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 Statement of Profit And Loss. The losses arising from impairment are recognized in the Statement of Profit And Loss.

D. Financial assets at fair value through OCI ('FVTOCI'):

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit And Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

E. Financial assets at fair value through profit or loss ('FVTPL'):

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit And Loss.

F. Derecognition:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

G. Impairment of Financial Assets:

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

ECL is measured through a loss allowance on a following basis:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

2.5 Financial Liabilities:

The Company's financial liabilities include trade payable.

A. Initial recognition and measurement:

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit And Loss .

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B. Subsequent measurement:

The subsequent measurement of financial liabilities depends upon the classification as described below:-

a. Financial Liabilities classified as Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised 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. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit And Loss.

b. Financial Liabilities classified as Fair value through profit And loss (FVTPL):

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Exports benefits are accounted for in the year of exports based on the eligibility and when there is certainty of receiving the same.

C. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. 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 de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit And Loss.

D. 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.

Other incomes, other then interest and dividend are recognized when the same are due to be received and right to receive such other income is established.

2.6 Share Capital and Share Premium:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

2.7 Dividend Distribution to equity shareholders:

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

2.8 Cash Flows and Cash and Cash Equivalents:

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

The companies in the group are banking with the below mentioned Banks for its Working Capital and Banking Requirements:

1. ICICI Bank Ltd.
2. HDFC Bank Ltd.
3. State Bank of India

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2.9 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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 costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

2.10 Revenue Recognition and Other Income:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sale of goods is recognized, when the control is transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

2.11 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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 Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a sustentive substitution right, then the asset is not identified.

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

the Company has the right to operate the asset; or
the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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Company as a lessee:
The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets re determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lase payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to e payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change n an index or rate, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease remaining as on the date of purchase.

Short-term leases and leases of low-value assets:
The Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease term of 12 months of less and leases of low-value assets. The Company recognises the lease payments associated with such leases as an expense on a straight-line basis over the lease term.

2.12 Income Taxes:
Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax:
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the a tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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Deferred Tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be 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 asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.13 Current versus Non-Current classification:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the 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.

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b) A liability is current when:

- It is expected to be settled in the 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.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

2.14 Employee benefits:

(i) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Undiscounted value of benefits such as salaries, incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

(ii) Long term benefits:

Defined Contribution Plans:

The Company contributes to the employee's approved provident fund scheme. The Company's contribution paid/payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

Defined Benefit Plans:

Gratuity Liability is a defined benefit obligation and is provided on the basis of an actuarial valuation model made at the end of the Financial Year. The Gratuity Liability is funded by the Company by maintaining the funds with a separate Asset Management Company, i. e., LIC of India. Contributions to such fund is charged to Profit & Loss Account. Actuarial Valuation of the Gratuity is done at the end of the Financial Year and accounted for accordingly.

2.15 Trade Receivables:

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered as doubtful.

2.16 Inventories:

(i) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.

(ii) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(iii) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.

(iv) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

2.17 Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost an other costs that an entity incurs in connection with the borrowings of the funds.

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2.18 Earnings per share:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.19 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief Operating Decision Maker by the management of the Company.

2.20 Foreign currency transactions:

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monitory assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monitory items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

2.21 Government grants and subsidies:

Grants / subsidies that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

Export Incentives:

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.22 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Consolidated Financial Statements is required to be disclosed.

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3 Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2022	Additions	Disposals during the period	As at 31 March 2023	As at 01 April 2022	Charge for the period	Disposals during the period	As at 31 March 2023	As at 01 April 2022	As at 31 March 2023
Factory building	332.39	345.44	-	677.83	37.93	12.13	-	50.06	294.47	627.77
Other building	21.11	-	-	21.11	10.53	2.01	-	12.53	10.58	8.58
Plant and machinery	2,068.28	2,439.09	-	4,507.37	267.56	142.44	-	410.00	1,800.72	4,097.36
Office equipment	23.94	21.42	-	45.35	10.73	5.65	-	16.38	13.21	28.98
Factory equipment (electric)	208.03	255.49	-	463.51	47.24	23.72	-	70.96	160.79	392.56
Computer equipment	38.70	20.87	-	59.57	28.25	8.26	-	36.51	10.45	23.06
Other equipment (Lab)	71.00	77.15	-	148.14	28.27	9.82	-	38.09	42.73	110.05
Furniture and fixtures	25.20	24.03	-	49.22	8.67	3.70	-	12.38	16.52	36.85
Vehicle equipment	7.95	3.55	-	11.50	2.14	1.02	-	3.16	5.81	8.34
Total	2,796.59	3,187.02	-	5,983.61	441.31	208.76	-	650.07	2,355.28	5,333.54

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2021	Additions	Disposals during the period	As at 31 March 2022	As at 01 April 2021	Charge for the period	Disposals during the period	As at 31 March 2022	As at 01 April 2021	As at 31 March 2022
Factory building	281.78	50.61	-	332.39	28.29	9.64	-	37.93	253.49	294.47
Other building	21.11	-	-	21.11	8.53	2.00	-	10.53	12.58	10.58
Plant & machinery	1,744.06	324.22	-	2,068.28	173.01	94.55	-	267.56	1,571.05	1,800.72
Office equipment	17.41	6.53	-	23.94	7.06	3.67	-	10.73	10.35	13.21
Factory equipment (electric)	174.62	33.41	-	208.03	28.97	18.27	-	47.24	145.65	160.79
Computer equipment	34.03	4.67	-	38.70	23.38	4.87	-	28.25	10.65	10.45
Other equipment	62.94	8.06	-	71.00	21.93	6.34	-	28.27	41.01	42.73
Furniture & fixtures	21.68	3.52	-	25.20	6.42	2.25	-	8.67	15.26	16.52
Vehicle equipment	6.23	1.72	-	7.95	1.29	0.85	-	2.14	4.94	5.81
Total	2,363.86	432.73	-	2,796.59	298.88	142.43	-	441.31	2,064.98	2,355.28

Title deeds of Immovable Properties not held in name of the Company:

Descriptions	As at 31 March 2023	As at 31 March 2022
Title deeds held in the name of	Aether Industries Limited	
Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	N.A.	

Refer note no. 20 and 22 for information on property, plant and equipment pledged as securities by the company

4 Capital work-in-progress

Particulars	As at 01 April 2022	Additions	Capitalised during the period	As at 31 March 2023
Capital work-in-progress	577.42	3,915.11	(4,120.86)	371.66
Total	577.42	3,915.11	(4,120.86)	371.66

Particulars	As at 01 April 2021	Additions	Capitalised during the period	As at 31 March 2022
Capital work-in-progress	1.98	1,010.13	(434.69)	577.42
Total	1.98	1,010.13	(434.69)	577.42

Additional disclosures as per Schedule -III requirement:

Amount in CWIP for a period of	Projects in Progress		Projects temporarily suspended	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Less than 1 Year	182.85	575.44	-	-
1-2 Years	188.81	1.98	-	-
2-3 Years	-	-	-	-
More than 3 Years	-	-	-	-
Total	371.66	577.42	-	-

5 Right-of-use assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2022	Additions	Disposals during the period	As at 31 March 2023	As at 01 April 2022	Charge for the period	Disposals during the period	As at 31 March 2023	As at 01 April 2022	As at 31 March 2023
Leasehold land	162.34	823.66	-	986.00	6.68	4.78	-	11.46	155.66	974.54
Properties (Land & Building)	74.34	109.19	-	183.53	18.79	16.72	-	35.51	55.55	148.02
Total Assets	236.68	932.85	-	1,169.53	25.47	21.50	-	46.97	211.21	1,122.55

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2021	Additions	Disposals during the period	As at 31 March 2022	As at 01 April 2021	Charge for the period	Disposals during the period	As at 31 March 2022	As at 01 April 2021	As at 31 March 2022
Leasehold land	68.19	94.15	-	162.34	5.17	1.51	-	6.68	63.02	155.66
Properties (Land & Building)	38.47	35.87	-	74.34	9.75	9.04	-	18.79	28.72	55.55
Total Assets	106.66	130.02	-	236.68	14.92	10.55	-	25.47	91.74	211.21

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6 Other intangibles assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2022	Additions	Deletions during the period	As at 31 March 2023	As at 01 April 2022	Charge for the period	Deletions during the period	As at 31 March 2023	As at 01 April 2022	As at 31 March 2023
Computer Software	11.94	2.77	-	14.71	7.72	1.98	-	9.70	4.21	5.01
Others	1.64	0.75	-	2.40	1.36	0.21	-	1.58	0.28	0.82
Total	13.58	3.53	-	17.11	9.09	2.19	-	11.27	4.49	5.83

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2021	Additions	Deletions during the period	As at 31 March 2022	As at 01 April 2021	Charge for the period	Deletions during the period	As at 31 March 2022	As at 01 April 2021	As at 31 March 2022
Computer Software	11.35	0.59	-	11.94	5.89	1.83	-	7.72	5.46	4.21
Others	1.45	0.19	-	1.64	1.30	0.06	-	1.36	0.15	0.28
Total	12.80	0.78	-	13.58	7.19	1.90	-	9.09	5.61	4.49

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Annexure VI - Notes to the Consolidated Financial Statements
(All amounts in Indian Rupees millions, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
7 Investments		
Unquoted equity shares		
9 (31 March 2022: 9) equity shares of Sachin Industrial Co. Op. Society Limited, of Rs.500 each fully paid-up	0.00	0.00
1,16,851 (31 March 2022: 1,16,851) equity shares of Globe Enviro Care Limited, of Rs.10 each fully paid-up	2.09	2.09
	2.10	2.09
Aggregate value of unquoted investments	2.10	2.09
Aggregate amount of impairment in value of investments	-	-
8 Others financial assets		
(Unsecured, considered good)		
Security deposits	27.01	23.20
National Security Depository Limited	0.01	-
	27.02	23.20
9 Other non-current assets		
(Unsecured, considered good)		
Capital advances	184.68	426.64
Pre-Operative Expenses	0.02	-
	184.70	426.64
10 Inventories		
Raw material	607.88	450.01
Work in progress	1,062.81	426.68
Finished goods	536.19	549.57
Stores and spares	46.28	52.77
Others :		
Packing materials	14.70	15.41
Research and development materials	219.80	133.01
	2,487.66	1,627.44

Notes:
(1) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.

(2) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(3) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.

(4) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

(5) Inventories are pledge / hypothecated as primary security with the bankers (lenders) against the Working Capital Facilities availed by the Company.

	As at 31 March 2023	As at 31 March 2022
11 Investments		
Investment in mutual funds - Quoted		
2839.999 (31 March 2022: 2839.999) SBI Liquid Fund Direct Growth	10.01	0.14
0 (31 March 2022: 50,731,956) Nippon India Money Market Fund	-	169.97
	10.01	170.11
(a) Aggregate book value of quoted investments	10.01	170.11
(b) Aggregate market value of quoted investments	10.01	170.11
12 Trade receivables		
Trade Receivables considered good - Secured	48.46	116.19
Trade Receivables considered good - Unsecured	2,541.35	1,518.62
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired		
	2,589.82	1,634.80
Less: Allowance for doubtful receivables	-	-
Total trade receivables	2,589.82	1,634.80
The above amount includes :		
Receivable from related parties	-	-
Receivable from other than related parties	2,589.82	1,634.80
Total	2,589.82	1,634.80

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The average credit period on sales of goods is 90 days. Payment terms vary from Advance Payments, LC for 60 to 90 Days, DA for 60 to 90 Days and open credits for 60 to 90 Days. No interest is charged on outstanding trade receivables.

(All amounts in Indian Rupees millions, unless otherwise stated)

As at 31 March 2023

Particulars	Outstanding for following periods from due date of Payment					
	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables - considered good	2,516.04	67.08	6.69	-	-	2,589.82
(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	-	-	-	-	-	-
	2,516.04	67.08	6.69	-	-	2,589.82

As at 31 March 2022

Particulars	Outstanding for following periods from due date of Payment					
	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables - considered good	1,628.99	3.61	2.20	-	-	1,634.80
(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	-	-	-	-	-	-
	1,628.99	3.61	2.20	-	-	1,634.80

13 Cash and cash equivalents	As at 31 March 2023	As at 31 March 2022
Cash in hand	1.07	0.98
Balances with banks		
Current accounts	2.05	0.01
EEFC accounts	148.30	32.40
Cash Credit accounts	557.66	-
	709.08	33.39

14 Bank balances other than cash and cash equivalents		
Other bank balances		
Margin Money - Fixed Deposits	23.81	25.05
Others - Fixed Deposits (with maturity of more than 3 months but less than 12 months)	290.00	121.72
	313.81	146.77

15 Loans		
Loans to employees*	11.38	8.36
	11.38	8.36
Breakup of security details		
Loans, considered good - secured	-	-
Loans, considered good - unsecured	11.38	8.36
Loans, considered doubtful / credit impaired	-	-
Total	11.38	8.36
Less: Loss allowance	-	-
Total loans receivables	11.38	8.36

*Loan to employees do not include any loan given to promoters, directors, KMPs and any other related parties.

16 Other financial assets		
Interest receivable (from fixed deposits with banks)	0.36	0.36
Gratuity asset (Refer note 45 for further disclosures)	2.91	2.34
	3.27	2.70

17 Other current assets		
Advances recoverable in cash	89.98	231.72
Advance credit card payments	0.06	0.03
Advance to suppliers and others	89.93	231.70
Balances with government authorities	495.08	172.43
Prepaid expenses	31.98	18.79
Other advances	-	51.39
Solar benefit	9.68	-
	626.72	474.34

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18 Share capital

Particulars	124,510,721.00	As at 31 March 2023	As at 31 March 2022
Authorised :			
14,00,00,000 (31 March 2022: 14,00,00,000) equity shares of Rs.10 each.		1,400.00	1,400.00
TOTAL		1,400.00	1,400.00
Issued and subscribed and paid up:			
Equity share capital			
12,45,10,721 (31 March 2022: 11,26,91,397) equity shares of Rs.10 each fully paid-up		1,245.11	1,126.91
TOTAL		1,245.11	1,126.91

Reconciliation of number of shares outstanding at the beginning and end of the year/period :

Equity share :	As at 31 March 2023	As at 31 March 2022
	Number of Shares	Number of Shares
Outstanding at the beginning of the year/period	112,691,397	10,098,567
Add: Issued during the period	11,819,324	102,592,830
Outstanding at the end of the year/period	124,510,721	112,691,397

* Number of shares is presented as absolute number.

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity shares

Equity shares

As to dividend — The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year.

As to repayment of capital — In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

As to voting — The Company has one class of shares referred to as Equity Shares having par value of Rs. 10/-. Each holder of the equity share is entitled to one vote per share.

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	Number of Shares %	Number of Shares	Number of Shares %
Purnima Ashwin Desai	32,057,403	25.75%	34,877,403	30.95%
Ashwin Jayantilal Desai	6,720,417	5.40%	6,720,417	5.96%
Rohan Ashwin Desai	2,221,681	1.78%	2,221,681	1.97%
Aman Ashwin Desai	110,000	0.09%	110,000	0.10%
AJD Family Trust	13,560,206	10.89%	13,560,206	12.03%
PAD Family Trust	13,560,206	10.89%	13,560,206	12.03%
RAD Family Trust	20,017,162	16.08%	20,017,162	17.76%
AAD Business Trust	20,017,162	16.08%	20,017,162	17.76%

Promotors Shareholding in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	Number of Shares %	Number of Shares	Number of Shares %
Purnima Ashwin Desai	32,057,403	25.75%	34,877,403	30.95%
Ashwin Jayantilal Desai	6,720,417	5.40%	6,720,417	5.96%
Rohan Ashwin Desai	2,221,681	1.78%	2,221,681	1.97%
Aman Ashwin Desai	110,000	0.09%	110,000	0.10%
AJD Family Trust	13,560,206	10.89%	13,560,206	12.03%
PAD Family Trust	13,560,206	10.89%	13,560,206	12.03%
RAD Family Trust	20,017,162	16.08%	20,017,162	17.76%
AAD Business Trust	20,017,162	16.08%	20,017,162	17.76%

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19 Other equity

	As at 31 March 2023	As at 31 March 2022
Reserves and surplus		
A. Retained earnings	3,022.85	1,720.29
B. Securities premium	8,162.55	1,015.73
C. Employee Share Option Reserve	15.55	5.96
	11,200.95	2,741.97

	As at 31 March 2023	As at 31 March 2022
A. Retained earnings		
Opening balance	1,720.29	1,407.72
Profit for the period / year	1,304.15	1,089.29
Less: Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)	-	(775.24)
Changes in the Lease Liabilities	(0.33)	
Other comprehensive (loss)/ income		
-Remeasurements of defined benefit liability / (asset) (net of tax)	(1.25)	(1.48)
Closing balance	3,022.85	1,720.29
B. Securities Premium		
As at beginning and end of the period/year	1,015.73	234.62
Less: Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)	-	(234.62)
Add: Preferential Allotment of Shares [202492 (FY 2021-22 1607160 Equity Shares) Equity Shares of Rs. 10 each at a Premium of Rs. 623 per share]	1,279.75	1,015.73
Allotment of Shares in IPO (9766355 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share)	6,172.34	
Shares based payment options outstnading (ESOPs exercised)	5.92	-
IPO Expenses	(319.91)	
Allotment of Shares under exercise of ESOPs (28048 Equity Shares of Rs. 10 each at a Premium of Rs. 311 per share)	8.72	
Closing balance	8,162.55	1,015.73
C. Employee Share Option Reserve		
Opening balance	5.96	-
Add: Additions during the year	15.51	5.96
Less: Transferred to Securities Premium on exercise of stock options	(5.92)	-
Closing balance	15.55	5.96
	11,200.95	2,741.97

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20 Borrowings	As at 31 March 2023	As at 31 March 2022
Unsecured – measured at fair value through profit or loss account (FVTPL)		
Secured		
Rupee Term Loans from Banks		
HDFC Bank Term Loan - Old	-	388.19
HDFC Bank Term Loan - New	-	472.79
HDFC Bank Term Loan - ECGLS	-	182.29
SBI Term Loan	-	137.05
SBI Term Loan New	-	36.74
Rupee Vehicle Loans from Banks		
HDFC Bank Car Loan	-	1.06
Others (Unsecured)		
From related parties (Directors & Promoters)	-	-
	-	1,218.13

(1) Terms of Repayment, Nature of Security in case of Secured Loans:

Nature of Security	Terms of Repayment	Principal o/s. as at 31 March 2023	Principal o/s. as at 31 March 2022
1. HDFC Car Loan	From April 05, 2019 up to March 05, 2024 (60 instalments)	1.06	2.02
Hypothecation of Car			
2. SBI Term Loan	28 Quarterly Instalments of Rs. 22.85 million each	-	228.45
#Secured by way of Hypothecation of movable and immovable assets of the Company as first pari passu charge #Personal Guarantees of all Promoters #Personal Properties of Promoters as Collateral Security # Rate of Interest as on March 31, 2023: NA			
3. SBI Term Loan New	25 Quarterly Instalments of Rs. 4.60 million each	-	55.14
#Same as per SBI Term Loan # Rate of Interest as on March 31, 2023: NA			
4. HDFC Bank Term Loan	20 Quarterly Instalments of Rs. 30.00 million each	-	508.19
#Same as per SBI Term Loan # Rate of Interest as on March 31, 2023: NA			
5. HDFC Bank Term Loan - ECGLS	48 Quarterly Instalments of Rs. 5.21 million each	-	244.79
# Rate of Interest as on March 31, 2023: NA			
6. HDFC Bank Term Loan - New	20 Quarterly Instalments of Rs. 23.64 million each	-	472.79
# Rate of Interest as on March 31, 2023: NA			

(2) Borrowings mentioned in the above note 20, along with note 22, amounting to Rs. 2,699.52 million (pertaining to FY '22) were paid off subsequent to the Balance Sheet date out of the IPO Proceeds

(3) The company has used the loans towards the specific purposes for which it had borrowed the funds from the bank and there is no deviation in that regards.

(4) The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

21 Lease liabilities	As at 31 March 2023	As at 31 March 2022
Lease liabilities	145.32	50.69
	145.32	50.69

22 Borrowings		
Working capital loan (Refer note 1)		
Secured	-	890.16
Current maturities of long term debt		
Secured		
Term loans from banks	-	292.30
Vehicle loans from banks	1.06	0.96
Unsecured		
Working Capital Limits with HDFC Bank	-	300.00
From related parties (Directors & Promoters)	-	149.20
	1.06	1,632.62

(1) The primary security for working capital loan is outstanding receivables and inventories. The collateral security provided is residential property of directors cum promotors located at 40, Jaldarshan Society, Umra, Surat of along with factory premise at 8203, Road No-8, GIDC, Sachin, Surat - 394 230 and premises at 8202/1, Road No-8, GIDC, Sachin, Surat - 394230. There is also charge created against two (40, Jaldarshan and 8203, GIDC) of these properties at ROC with SBI and HDFC banks. These collaterals have been removed after the payments of all Term Loans was done by use of IPO Proceeds.

(2) For details of terms of repayment and security for current maturities, refer note of non-current borrowings.

(3) The company has used the loans towards the specific purposes for which it had borrowed the funds from the bank and there is no deviation in that regards.

(4) The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

M. No. 137086 SURAT

Aether Industries Limited Authorised

(All amounts in Indian Rupees millions, unless otherwise stated)

(5) Break-up of the Working capital loan:

Particulars		
Working Capital Limits with SBI	-	142.64
Working Capital Limits with HDFC Bank	-	742.71
Working Capital Limits with HDFC Bank	-	-
Total outstanding	**-**	**885.35**
Foreign exchange valuation impact on PCFC loans	-	4.81
Foreign exchange valuation impact on Bill Discountings	-	-
Net outstanding	-	**890.16**

(6) Borrowings mentioned in the above note 20, along with note 22, amounting to Rs. 2,699.52 million (pertaining to FY '22) were paid off subsequent to the Balance Sheet date out of the IPO Proceeds

23 Lease liabilities

Lease liabilities	10.76	5.85
	10.76	5.85

24 Trade payables

Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 39)	191.09	211.19
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	624.09	487.35
	815.18	698.54

Notes :
(1)Refer note 40 - Related Party for related party disclosure
(2) Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 90 days.

As at 31 March 2023

Particulars	Unbilled Dues	Outstanding for following periods Particulars from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	191.09	-	-	-	191.09
(ii) Others	-	623.43	0.57	0.09	-	624.09
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	814.52	0.57	0.09	-	815.18

As at 31 March 2022

Particulars	Unbilled Dues	Outstanding for following periods Particulars from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	211.19	-	-	-	211.19
(ii) Others	-	486.39	0.89	0.07	-	487.35
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	697.58	0.89	0.07	-	698.54

25 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Employee related payable		
Salary and other benefits	23.72	19.41
Bonus payable	12.45	9.94
Other payables	1.52	1.65
Bills payable	0.01	0.22
Creditor for expenses	59.25	32.25
	96.94	63.46

26 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Advance received from customers	2.05	4.28
Statutory dues payables	14.03	10.39
	16.08	14.67

27 Provisions

Gratuity (Refer note 45 for further disclosures)	-	-
	-	-

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AETHER INDUSTRIES LIMITED Authorised SURAT

(All amounts in Indian Rupees millions, unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
28 Revenue from operations		
Sale of products		
Manufactured goods		
Local sales	1,952.23	2,087.12
Export sales	2,169.84	2,305.27
Deemed exports	1,571.29	1,031.36
Export sales - CRAMS	448.11	289.53
Domestic sales - CRAMS	63.47	4.73
Deemed exports - CRAMS	3.38	-
Sale of services		
Export services	302.43	184.73
Domestic services	-	-
Total revenue from operations	**6,510.74**	**5,902.73**
Less : Rebate and discount		(2.26)
	6,510.74	**5,900.47**

Refer note no. 46 Revenue for further disclosures

29 Other income		
Interest		
Interest on fixed deposits	74.23	4.64
Interest accrued on loans to employees	1.11	1.29
Interest on deposits	0.09	0.03
Others		
Foreign exchange fluctuation	36.65	18.37
Duty drawback - exports	8.84	5.14
MEIS duty credit	1.31	21.65
SEIS Duty Credit	23.22	-
Income from mutual funds	8.34	3.22
Income accrued from mutual funds	0.20	0.00
Income From Bonds NCD CP	0.00	-
Interest subsidy (term loan)	9.96	15.00
Income Tax Refund	1.18	-
Misc. income	0.50	0.38
	165.65	69.74

Subsidies from the Government:

Subsidies from the Government are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the subsidies will be received or when actually will be received by the Company. Subsidies from the Government are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the subsidies are intended to compensate.

Subsidies from the Government that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they are received.

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Authorised

(All amounts in Indian Rupees millions, unless otherwise stated)

30 Cost of materials consumed

Raw Materials		
Opening	450.01	392.82
Add: Purchase	3,728.30	3,407.18
Add: Custom duty and clearing forwarding charges	75.85	71.80
Less: Discount on Purchase of Raw Material	(5.98)	(29.36)
	4,248.18	3,842.44
Closing	607.88	450.01
	3,640.30	**3,392.43**
Packing Materials		
Opening	15.41	10.80
Purchase	63.46	63.48
	78.87	74.28
Closing	14.70	15.41
	64.17	**58.87**
Stores & Spares		
Opening	52.77	48.54
Add: Purchase	141.25	126.01
Less: Discount on Purchase of Others	(0.96)	-
	193.06	174.55
Closing	46.28	52.77
	146.78	**121.78**
Other Material		
Opening	133.01	123.75
Purchase	31.69	21.39
	164.70	145.14
Closing	219.80	133.01
	(55.10)	**12.13**
	3,796.14	**3,585.21**

31 Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening inventories		
Finished goods	549.57	115.06
Work-in-progress	426.68	156.31
Total (A)	976.25	271.37
Closing Inventories		
Finished goods	536.19	549.57
Work-in-progress	1,062.81	426.68
Total (B)	1,599.00	976.25
Total (A-B)	(622.76)	(704.88)

AETHER INDUSTRIES LIMITED
Annexure VI - Notes to the Consolidated Financial Statements
(All amounts in Indian Rupees millions, unless otherwise stated)

32 Employee benefits expense

Salaries, wages and bonus	251.89	212.52
Contribution to gratuity	6.67	5.08
Contribution to provident fund	12.72	10.30
Contribution to provident fund - Admin Charges	0.55	0.46
Staff welfare expenses	22.45	23.73
Leave encashment expenses	5.22	5.14
Employee medical insurance expenses	2.68	2.37
ESOPs (Employee Benefit)	15.51	5.96
Other employee related expenses	26.88	4.89
	344.57	**270.44**

33 Finance costs

Interest on term loan	11.18	76.13
Interest on term loan - ECGLS	3.06	16.05
Interest on cash credit	6.92	6.16
Interest on PCFC	5.08	11.03
Interest on bill discounting	3.76	4.79
Interest on SLC	0.11	0.32
Interest on car loan	0.15	0.24
Interest on unsecured loans	-	-
Bank charges	8.57	11.83
Interest on financial liabilities at amortized cost	12.09	4.67
	50.93	**131.21**

34 Depreciation and amortisation expense

Depreciation of property, plant and equipment (refer note 3)	208.76	142.43
Amortisation of right-of-use asset (refer note 5)	21.50	10.55
Amortisation of intangible assets (refer note 6)	2.19	1.90
	232.45	**154.87**

35 Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Manufacturing service cost expenses		
Power and fuel	364.18	303.82
Water charges	8.31	7.85
Other manufacturing costs	197.85	224.34
Administrative and general expenses		
Telephone and postage	2.79	2.34
Printing and stationery	1.53	1.20
Rent	6.88	1.23
Rates and taxes	6.77	5.93
Payment to statutory auditors (Refer note below)	0.77	0.60
Directors' sitting fees	3.04	2.52
Managerial remuneration	34.74	58.50
Repairs and maintenance expenses	31.49	38.86
Electricity expenses	191.45	214.84

(All amounts in Indian Rupees millions, unless otherwise stated)

Travelling expenses	10.56	2.63
Legal and professional expenses	64.39	28.78
Insurance expenses	31.97	21.32
Vehicle running expenses	4.66	5.94
Other administrative and general expenses	22.62	16.48
Selling and distribution expenses	113.08	108.47
Research and development expenses	3.18	1.33
Other expenses	30.04	21.66
	1,130.30	**1,068.63**

(a) Payment to auditors

Statutory audit fee	0.77	0.60
	0.77	**0.60**

AETHER INDUSTRIES LIMITED
Annexure VI - Notes to the Consolidated Financial Statements
(All amounts in Indian Rupees millions, unless otherwise stated)

36 Taxes

(a) Statement of profit or loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax:		
Current income tax charge	311.22	338.73
Deferred tax	128.97	36.72
Income tax expense reported in the statement of profit or loss	**440.19**	**375.44**

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax		
Remeasurements gains and losses on post employment benefits	(0.42)	(0.50)
Income tax recognised in OCI	**(0.42)**	**(0.50)**

(c) Balance sheet

Particulars	As at 31 March 2023	As at 31 March 2022
Non- current tax assets	-	-
Current tax assets	-	-
Total tax assets	-	-

Current tax liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax (net of advance tax)	-	6.61
Total current tax liabilities	-	6.61

(d) Deferred tax liabilities / (assets)

Particulars	As at 31 March 2023	As at 31 March 2022
Excess of depreciation/amortisation on property plant and equipment under income tax act	269.91	139.50
Fair valuation of Mutual funds	(0.05)	0.00
Fair valuation of Security deposits	(0.00)	0.01
Amortization of processing fees on loan	-	(0.18)
Provision for employee benefits	0.42	(0.78)
Leases	(2.51)	0.25
Net deferred tax liability/(asset)	267.76	138.79

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT.

AETHER INDUSTRIES LIMITED Authorised SURAT

AETHER INDUSTRIES LIMITED

Annexure VI - Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees millions, unless otherwise stated)

(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended 31 March 2023	For the year ended 31 March 2022
Accounting profit before tax	1,744.76	1,464.73
Tax rate	25.17%	25.17%
Tax as per IT Act on above	439.12	368.64
Tax expenses (P&L)		
(i) Current tax	311.22	338.73
(ii) Deferred tax	128.97	36.72
(iii) Taxation in respect of earlier years		
	440.19	375.44
Tax expenses (OCI)	(0.42)	(0.50)
Difference	(0.65)	(6.30)
Tax reconciliation		
Adjustments:		
Effect of permanent adjustments	-	-
(i) Impact as a result of Tax Rate Change	-	-
(ii) Impact as a result of Capital Gains	(0.05)	0.15
(iii) Others	1.12	6.15
	0.42	-

(f) Movement in temporary differences:

	1 April 2022	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	31 March 2023
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	139.50	130.41	-	269.91
Fair valuation of Mutual funds	0.00	(0.05)	-	(0.05)
Fair valuation of Security deposits	0.01	(0.01)	-	(0.00)
Amortization of processing fees on loan	(0.18)	0.18		-
Provision for employee benefits	(0.78)	1.62	(0.42)	0.42
Leases	0.25	(2.76)	-	(2.51)
Net deferred tax liability/(asset)	138.79	129.39	(0.42)	267.76

	1 April 2021	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	31 March 2022
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	102.58	36.92	-	139.50
Fair valuation of Mutual funds	(0.20)	0.20	-	0.00
Fair valuation of Security deposits	(0.01)	0.02	-	0.01
Amortization of processing fees on loan	(0.18)	(0.00)	-	(0.18)
Provision for employee benefits	0.45	(0.73)	(0.50)	(0.78)
Leases	(0.57)	0.82	-	0.25
Net deferred tax liability/(asset)	102.07	37.22	(0.50)	138.79

AETHER INDUSTRIES LIMITED Authorised SURAT

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT.

(All amounts in Indian Rupees millions, unless otherwise stated)

37 Earnings Per Share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profits attributable to equity shareholders		
Profit for basic earning per share of Rs. 10 each		
Profit for the period / year (in Rs.)	1,304.15	1,089.29
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the period / year	124,510,721	112,691,397
Basic EPS (Rs.)	10.47	9.67
Diluted Earnings Per Share		
Profit for diluted earning per share of Rs. 10 each		
Profit for the period / year (in Rs.)	1,304.15	1,089.29
Weighted average number of equity shares outstanding during the period / year	124,510,721	112,691,397
Diluted EPS (Rs.)	10.47	9.67

Weighted average number of equity shares for Basic Earnings Per Share	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning and at the end of the period	112,691,397	10,098,567
Issued during the period	11,819,324	102,592,830
Weighted average number of equity shares outstanding during the period / year	**124,510,721**	**112,691,397**

Weighted average number of equity shares for Diluted Earnings Per Share	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning and at the end of the period	112,691,397	10,098,567
Issued during the period	11,819,324	102,592,830
Weighted average number of equity shares outstanding during the period / year	**124,510,721**	**112,691,397**

38 Contingent liabilities, contingent assets and commitments :

Contingent liabilities

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Bank Guarantees Issued for:			
Customs	INR	8.89	8.89
Gujarat Gas Ltd.	INR	20.71	15.35
DGVCL	INR	47.40	23.70
Total Margin for above items	INR	14.37	11.45
Raw Material FLC	US$	1.10	2.94
Total Margin for above items	INR	8.94	13.10
Income Tax Demand:			
AY 2017-18 (PY: 2016-17)	INR	0.15	0.22
AY 2018-19 (PY: 2017-18)	INR	0.94	0.93
AY 2020-21 (PY: 2019-20)	INR	1.00	19.82

All the Contingent Liabilities, except Income Tax Demands, listed above, which are outstanding as on current Balance Sheet date are not 100% secured through cash margins placed with the banks. Company is enjoying Bank Guarantee and LC Limit facilities from the banks, which require 15% Margin Money on Bank Guarantees and 15% Margin Money on LC Facilities.

The Income Tax Demands are under appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

39 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid to any supplier as at the end of the period/year		
Trade payables	191.09	211.19
Capital creditors	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the period/year		
Trade payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

AETHER INDUSTRIES LIMITED Authorised SURAT

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT.

(All amounts in Indian Rupees millions, unless otherwise stated)

40 Related Party Disclosures

(a) List of Related Parties and description of relationship:

Subsidiary companies
Aether Speciality Chemicals Limited

Entities where Directors are interested :
Ashwin Jayantilal Desai (Managing Director)

Aether Foundation
Aether Speciality Chemicals Limited
Globe Enviro Care Limited

Purnima Ashwin Desai (Whole Time Director)

Aether Foundation
Aether Speciality Chemicals Limited

Rohan Ashwin Desai (Whole Time Director)
Aether Foundation
Aether Speciality Chemicals Limited

Aman Ashwin Desai (Whole Time Director)
Aether Speciality Chemicals Limited

Kamalvijay Ramchandra Tulsian (Director)
J R Dyeing and Printing Mills Ltd.
Gujarat Enviro-Protection and Infrastructure Pvt. Ltd.
Navbharat Silk Mills Pvt. Ltd.
Pandesara Infrastructure Ltd
Surat Mega Textiles Processing Park Association

Jeevanlal Nagori (Director)
Tonira Pharma Ltd.
Avik Pharmaceuticals Ltd.
Ajanma Holdings Pvt Ltd.
IPCA Traditional Remedies Pvt. Ltd.
Transrail Lighting Ltd.
Kajorimal Basantilal Nagori Charitable Trust

Ishita Surendra Manjrekar (Director)
Sunanda Speciality Coatings Pvt. Ltd.
Sunworks Chemicals Pvt. Ltd.
Sunanda Global Outreach Foundation
Sunanda Smile Foundation

Key Management Personnel (KMP)

Name	Designation
Ashwin Jayantilal Desai	Managing Director
Purnima Ashwin Desai	Whole Time Director
Rohan Ashwin Desai	Whole Time Director
Aman Ashwin Desai	Whole Time Director
Faiz Arif Nagariya	Chief Financial Officer
Chitrarth Rajan Parghi	Company Secretary & Compliance Officer

Relative of Key Management Personnel

Name	Designation
Payal Rohan Desai	Spouse of Rohan Ashwin Desai
Kamalvijay Ramchandra HUF	HUF of Director - Kamalvijay Ramchandra Tulsian
Pramilaben Kamalvijay Tulsian	Spouse of Kamalvijay Tulsian

Other Directors on Board

Name	Designation
Amol Arvindrao Kulkarni	Independent Director
Arun Kanodiya	Independent Director
Ishita Manjrekar	Non-Executive Director
Jeevanlal Nagori	Independent Director
Jitendra Popatlal Vakharia	Independent Director
Kamalvijay Ramchandra Tulsian	Chairperson Non-Executive Director
Leja Satish Hattiangadi	Independent Director
Rajkumar Mangilal Borana	Independent Director

(b) Related party transactions:

Sr. no	Nature of Transaction	For the year ended 31 March 2023				For the year ended 31 March 2022			
		Promoters and their relatives	Companies Controlled by Directors / Relatives	Other Directors on Board	Total	Promoters and their relatives	Companies Controlled by Directors / Relatives	Other Directors on Board	Total
1	Rent Paid	6.00	-	-	6.00	9.60	-	-	9.60
2	Interest Paid	-	-	-	-	-	-	-	-
3	Loan accepted	(149.20)	-	-	(149.20)	23.50	-	-	23.50
4	Managerial Remuneration	67.25	-	-	67.25	58.50	-	-	58.50
5	Purchase of Consumables	-	0.06	-	0.06	-	0.08	-	0.08
6	Purchase of Material for Building & Structure	-	14.81	-	14.81	-	9.88	-	9.88
7	ETP Expenses	-	47.23	-	47.23	-	49.01	-	49.01
8	CSR Activities	-	2.10	-	2.10	-	7.85	-	7.85
9	Salary	5.41	-	-	5.41	10.52	-	-	10.52
10	Sitting Fee	-	-	3.04	3.04	-	-	2.52	2.52
11	Investment	-	0.50	-	0.50	-	-	-	-
12	Cheritable Trust	-	-	0.60	0.60	-	-	-	-
		(70.54)	64.70	3.64	(2.21)	102.12	66.81	2.52	171.45

(c) Balances outstanding at the end of the year:-

Particulars	As at 31 March 2023	As at 31 March 2022
Rent payable	0.58	1.27
Interest payable	-	-
Managerial remuneration payable	2.91	2.36
Unsecured loans received	-	149.20
Salary Payable	0.25	0.31

During the above periods, the Company did not enter into any material transaction (as defined in the Company's policy on related party transactions) with related parties. All other transactions of the company with related parties were in the ordinary course of business and at an arm's length.

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

Particulars	As at 31 March 2023	As at 31 March 2022
Rent Paid		
Purnima Desai	-	-
Payal Desai	1.20	1.80
Ashwin Desai	-	1.80
Rohan Desai	-	1.20
Kamalvijay Ramchandra HUF	2.40	2.40
Pramilaben Kamalvijay Tulsian	2.40	2.40
Total	6.00	9.60
Managerial Remuneration		
Ashwin Desai	13.65	13.00
Purnima Desai	13.65	13.00
Rohan Desai	19.47	13.00
Aman Desai	20.48	19.50
Total	67.25	58.50
Transactions with Companies Controlled by Directors / Relatives		
Sunanda Speciality Coatings Pvt. Ltd. (Consumables)	0.06	0.08
Sunanda Speciality Coatings Pvt. Ltd. (Material for Building & Structure)	14.81	9.88
Globe Enviro Care Limited (ETP Expenses)	47.23	49.01
Aether Foundation (CSR Expenses)	2.10	7.85
KBN Cheritable Trust (CSR Expenses)	0.60	-
Total	64.80	66.81
Loans Accepted		
Ashwin Jayantilal Desai	(35.02)	14.50
Purnima Ashwin Desai	(11.11)	-
Rohan Ashwin Desai	(59.18)	3.90
Aman Ashwin Desai	(12.91)	3.50
Aman Ashwin Desai (HUF)	-	(26.29)
Payal Rohan Desai	(4.70)	1.60
Ishita Manjrekar	(26.29)	26.29
Total	(149.20)	23.50
Salary Paid		
Payal Rohan Desai	-	6.50
Faiz Arif Nagariya	4.63	3.45
Chitrarth Rajan Parghi	0.78	0.57
Total	5.41	10.52
Sitting Fee to Director		
Amol Arvindrao Kulkarni	0.40	0.20
Arun Kanodiya	0.60	0.65
Ishita Manjrekar	0.32	0.38
Jeevanlal Nagori	0.43	0.27
Jitendra Popatlal Vakharia	0.25	0.15
Kamalvijay Ramchandra Tulsian	0.53	0.48
Leja Satish Hattiangadi	0.32	0.25
Rajkumar Mangilal Borana	0.22	0.15
Total	3.04	2.52
Investment		
Aether Speciality Chemicals Limited	0.50	-
Total	0.50	-

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41 Section 35(2AB) of Income Tax Act, 1961 Disclosure

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary, Wages & Bonus		
Salary Expense	54.53	34.04
Overtime Wages	1.60	1.57
Employer's Contribution to PF	1.05	1.78
Employee Medical Insurance Expenses		
Employer's Contribution to ESI	0.21	0.49
Leave Encashment Expenses		
Leave Encashment Expenses	1.00	0.76
Other Employee Related Expenses		
Bonus	6.04	4.86
Managerial Remuneration		
Salaries to Directors	5.99	6.00
Bonus to Directors	0.50	0.68
Consumption of Material		
R&D Material	24.59	12.54
Power & Fuel		
Diesel Expenses	18.44	10.09
Repairs & Maintenance		
Plant & Machinery	1.69	2.07
Buildings	0.57	1.34
Others	0.47	1.15
Electricity Expenses		
Electricity Expenses	29.89	18.82
Vehicle Running Expenses		
Petrol & Other Expenses	0.68	0.49
Vehicle Repairing Expenses	0.21	0.16
Vehicle Hiring Charges	0.60	2.10
Rent, Rates & Taxes		
Rent	7.42	4.80
Other Administrative & General Expenses		
Security Expenses	2.29	1.51
Total Revenue Expenditure (A)	157.75	105.27
Capital Expenditure		
Buildings	50.00	29.87
Computers	4.64	1.19
Factory Equipment (Electric)	33.64	7.19
Furniture & Fixtures	8.35	0.08
Other Equipment (Lab)	44.87	3.97
Office Equipment	9.98	1.05
Plant & Machinery	188.75	88.16
Computer Software	0.07	0.22
CWIP	3.34	155.61
Total Capital Expenditure (B)	343.64	287.34
Total Expenditure (A) + (B)	501.39	392.60

Approval for registration of in- house R&D unit by Department of Science and Industrial Research (DSIR) was received vide letter dated 24th November 2020. As the above note is for the discloser of requirements of Section 35(2AB) of the Income Tax Act, 1961, we have not considered Depreciation here.

42 Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, 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 Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:
- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company'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 associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

(i) The company has not made any provision on expected credit loss on trade receivables and other financials assets, based on the management estimates.

(ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department within the Finance Department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from the operations.

(All amounts in Indian Rupees millions, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Total current assets (A)	6,751.75	4,097.90
Total current liabilities (B)	940.02	2,421.75
Working capital (A-B)	**5,811.73**	**1,676.15**
Current Ratio:	**7.18**	**1.69**

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at 31 March 2023			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	1.06	1.06	-	1.06
Trade payables	815.18	814.52	0.66	815.18
Lease liabilities	156.07	10.76	145.32	156.07
Other liabilities	96.94	96.94	-	96.94

	As at 31 March 2022			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,850.75	1,632.62	1,218.13	2,850.75
Trade payables	698.54	697.58	0.96	698.54
Lease liabilities	56.54	5.85	50.69	56.54
Other liabilities	63.46	63.46	-	63.46

(c) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(1) Foreign currency risk :

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.

Following is outstanding foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at 31 March 2023		As at 31 March 2022	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade receivables	18.54	1,523.75	8.88	672.71
Balance with banks - in EEFC	1.80	148.30	0.43	32.40
	20.34	**1,672.05**	**9.30**	**705.10**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

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(ii) Financial liabilities

Financial liabilities	As at 31 March 2023		As at 31 March 2022	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade payable	3.09	254.16	0.53	40.16
	3.09	**254.16**	**0.53**	**40.16**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(iii) Currency wise net exposure (Financial assets - Financial liabilities)

Currency wise net exposure (assets - liabilities)	As at 31 March 2023		As at 31 March 2022	
Particulars	**Foreign currency**	**Equivalent amount in rupees**	**Foreign currency**	**Equivalent amount in rupees**
USD	17.25	1,417.90	8.77	664.94
Total	**17.25**	**1,417.90**	**8.77**	**664.94**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(iv) Sensitivity analysis

Particulars	Impact on profit/equity (1%	
	31 March 2023	31 March 2022
USD	14.18	6.65
Total	**14.18**	**6.65**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

Particulars	Impact on profit/equity (1% weakening)	
	31 March 2023	31 March 2022
USD	(14.18)	(6.65)
Total	**(14.18)**	**(6.65)**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(2) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selection appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long term and short term) to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings	-	2,399.52
Fixed rate borrowings	1.06	151.22
Total borrowings	**1.06**	**2,550.75**

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Sensitivity analysis

Particulars	Impact on profit before tax /pre- tax	
	As at 31 March 2023	As at 31 March 2022
Increase by 50 basis points	-	(12.00)
Decrease by 50 basis points	-	12.00

43 Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated

Particulars	As at 31 March 2023	As at 31 March 2022
Total liabilities	1,353.10	3,829.37
Less: cash and cash equivalents and bank balances	1,022.89	180.16
Net debt	330.20	3,649.21
Total equity	12,446.06	3,868.89
Debt-equity ratio	0.03	0.94

(All amounts in Indian Rupees millions, unless otherwise stated)

44 Fair value measurements

(a) Categories of financial instruments -

Particulars	As at 31 March 2023				
	Carrying amount	Fair values			
		FVTPL	FVTPL	FVTOCI	Amortised cost
		Level 1	Level 3	Level 3	Level 2
Category					
Financial assets					
Trade receivables	2,589.82	-	-	-	2,589.82
Cash and cash equivalents	709.08	-	-	-	709.08
Other bank balances	313.81	-	-	-	313.81
Investment in mutual funds - Quoted	10.01	10.01	-	-	-
Investments in equity shares- Unquoted	2.10	-	-	2.10	-
Loans	11.38	-	-	-	11.38
Other financial assets	30.29	-	-	-	30.29
Total financial assets	**3,666.49**	**10.01**	**-**	**2.10**	**3,654.38**
Financial liabilities					
Borrowings	1.06	-	-	-	1.06
Trade payables	815.18	-	-	-	815.18
Other financial liabilities	253.01	-	-	-	253.01
Total financial liabilities	**1,069.26**	**-**	**-**	**-**	**1,069.26**

Particulars	As at 31 March 2022				
	Carrying amount	Fair values			
		FVTPL	FVTPL	FVTOCI	Amortised cost
		Level 1	Level 3	Level 3	Level 2
Category					
Financial assets					
Trade receivables	1,634.80	-	-	-	1,634.80
Cash and cash equivalents	33.39	-	-	-	33.39
Other bank balances	146.77	-	-	-	146.77
Investment in mutual funds - Quoted	170.11	170.11	-	-	-
Investments in equity shares- Unquoted	2.09	-	-	2.09	-
Loans	8.36	-	-	-	8.36
Other financial assets	25.90	-	-	-	25.90
Total financial assets	**2,021.42**	**170.11**	**-**	**2.09**	**1,849.22**
Financial liabilities					
Borrowings	2,850.75	-	-	-	2,850.75
Trade payables	698.54	-	-	-	698.54
Other financial liabilities	120.00	-	-	-	120.00
Total financial liabilities	**3,669.29**	**-**	**-**	**-**	**3,669.29**

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortized cost approximates the fair value (except for which the fair values are mentioned). Investments in Mutual Funds which are designated at FVTPL & Investment in shares which are classified as FVTOCI are at fair value.

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45 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under":

(i) Defined contribution plan - Provident fund and other funds

The company has recognized following amounts in the profit & loss account for the year/ period:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Provident fund		
Employer's Contribution	12.72	10.30
Administration charges	0.55	0.46
Employer's Contribution to ESI (Employee State Insurance)	2.68	2.37
	15.95	**13.12**

(ii) Defined benefit plan

1) The defined benefit plan comprises gratuity, which is funded.

2) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
Present Value of Benefit Obligation at the Beginning of the Period	25.12	17.43
Interest cost	1.82	1.19
Current service cost	6.48	5.20
Benefits paid	(1.20)	(0.67)
Actuarial (Gains)/Losses on Obligations		
- Due to Change in Demographic Assumptions	-	0.01
- Due to Change in Financial Assumptions	(1.12)	(1.53)
- Due to Experience	2.24	3.50
Present value of obligation at the end of the period / year	33.33	25.12

Changes in the fair value of plan assets are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Fair value of plan assets at the beginning of the period / year	27.46	19.18
Interest income	1.99	1.31
Contributions	8.55	7.65
Mortality charges and taxes	-	-
Benefits paid	(1.20)	(0.67)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(0.55)	-
Fair value of Plan assets at end of the period / year	36.24	27.46

Net interest cost for current period

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Present Value of Benefit Obligation at the Beginning of the Period	25.12	17.43
Fair Value of Plan Assets at the Beginning of the Period	(27.46)	(19.18)
Net Liability/(Asset) at the Beginning	(2.34)	(1.75)
Interest Cost	1.82	1.19
Interest Income	(1.99)	(1.31)
Net Interest Cost for Current Period	(0.17)	(0.12)

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	6.48	5.20
Net interest (Income)/ Expense	(0.17)	(0.12)
Net benefit expense	6.31	5.08

Amount recognised in the statement of other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Re-measurement for the year - obligation (gain) / loss	1.12	1.98
Re-measurement for the year - plan assets (gain) / loss	0.55	-
Total re-measurements cost / (credit) for the period / year recognised in other comprehensive income	1.67	1.98

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Net Defined Benefit Liability/(Asset) for the period / year

Particulars	As at 31 March 2023	As at 31 March 2022
Defined Benefit Obligation	33.33	25.12
Fair value of plan assets	36.24	27.46
Closing net defined benefit liability/(asset)	**(2.91)**	**(2.34)**

Particulars	As at 31 March 2023	As at 31 March 2022
Current	(2.91)	(2.34)
Non-Current	-	-

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
	%	%
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Discount rate	7.50%	6.82%
Rate of increase in compensation levels	8.00%	8.00%
Expected rate of return on plan assets	7.50%	6.82%
Withdrawal rate #		
Age up to 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 & 31 March 2022 is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 March 2023		As at 31 March 2022	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in rate of discounting	(3.97)	4.85	(3.09)	3.79
Delta effect of 1% change in rate of salary increase	4.59	(3.93)	3.64	(3.08)
Delta effect of 1% change in rate of employee turnover	(0.39)	0.42	(0.41)	0.46

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Duration of defined benefit payments	31 March 2023	31 March 2022
1st Following Year	1.23	0.90
2nd Following Year	1.39	1.00
3rd Following Year	1.57	1.16
4th Following Year	1.75	1.23
5th Following Year	1.84	1.35
Sum of Years 6 To 10	10.24	7.35
Sum of Years 11 and above	100.33	75.50

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46 Stock options scheme

Aether Industries Limited - Employee Stock Option Scheme - 2021 (AIL ESOS 2021):

The Company has instituted equity-settled Employee Stock Option Scheme - 2021 duly approved by the shareholders in the extra-ordinary general meeting of the Company held on 18 November 2021. The Company introduced the AIL ESOS 2021 primarily with a view to attract, retain and incentivise the existing and new employees of the Company and motivate them to contribute to the growth and profitability of the Company. The shareholders by way of special resolution have authorised the Nomination and Remuneration Committee to grant options not exceeding 11,00,000 to the eligible employees under the AIL ESOS 2021, in one or more tranches, with each such option conferring a right upon the Eligible employee to apply for one share of the Company.

As per AIL ESOS 2021, the Nomination and Remuneration Committee shall determine the eligibility criteria for employees to whom the options would be granted and shall approve the grant of options. The options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 7 (seven) years from the date of grant of options. Vesting of options would be subject to continued employment with the Company. The exercise period shall be 7 (seven) years from the date of vesting of options. The vested options can be exercised by the employee any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.

The scheme was modified on 27 September 2022 and the revised terms are prospectively applicable to all grants under the scheme. The modified terms are defined as follows:
The vesting period is minimum 1 (one) year but not later than 15 (fifteen) years from the date of grant of options. Vesting of options would be subject to continued employment with the Company. The exercise period shall be 15 (fifteen) years from the date of vesting of options, subject to exceptional circumstances. The vested options can be exercised by the employee any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.

Under the said scheme Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees:

Grant Date	Tranche	No. of options	Total no. of options
November 20, 2021	Not applicable	181,122	181,122
November 20, 2022	Tranche 2	12,461	40,564
November 20, 2022	Tranche 3	24,922	
November 20, 2022	Tranche 4	3,181	

Reconciliation of outstanding employee stock options:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Weighted average	Numer of options	Weighted average	Numer of options
Opening Balance	321.00	174,831	-	-
Granted during the year	335.27	40,564	321.00	181,122
Exercised during the year	321.00	28,048	-	-
Forfeited / Lapsed during	321.00	13,199	321.00	6,291
Closing Balance	324.32	174,148	321.00	174,831
Options exercisable at the	-	-	-	-

Weighted average share price on the date of exercise is Rs. 985.35/- (Previous Year: NA*)

*Weighted average exercise price of shares is required to be disclosed, where share options are exercised during the period. As no options were exercised in the previous period, information is not disclosed.

Stock options outstanding at the end of the period have the following remaining contractual life:

Grant date	Expiry date	Exercise price (Rs.)	Options outstanding as	Options outstanding as
November 20, 2021	November 20, 2029	321.00	-	29,447
November 20, 2021	November 20, 2030	321.00	27,256	29,520
November 20, 2021	November 20, 2031	321.00	27,182	29,446
November 20, 2021	November 20, 2032	321.00	24,715	26,977
November 20, 2021	November 20, 2033	321.00	21,147	23,094

November 20, 2021	November 20, 2034	321.00	19,968	21,808
November 20, 2021	November 20, 2035	321.00	13,316	14,539
November 20, 2022	November 20, 2026	321.00	4,153	-
November 20, 2022	November 20, 2027	321.00	4,153	-
November 20, 2022	November 20, 2028	321.00	4,155	-
November 20, 2022	November 20, 2027	321.00	6,230	-
November 20, 2022	November 20, 2028	321.00	6,230	-
November 20, 2022	November 20, 2029	321.00	6,230	-
November 20, 2022	November 20, 2030	321.00	6,232	-
November 20, 2022	November 20, 2031	503.00	477	-
November 20, 2022	November 20, 2032	503.00	477	-
November 20, 2022	November 20, 2033	503.00	477	-
November 20, 2022	November 20, 2034	503.00	477	-
November 20, 2022	November 20, 2035	503.00	477	-
November 20, 2022	November 20, 2036	503.00	477	-
November 20, 2022	November 20, 2037	503.00	319	-
Total			**174,148**	**174,831**
Weighted average remaining contractual life of the options outstanding at the			**8.93 years**	**10.27 years**

Fair value of the options granted:

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grant made on 20 November 2022

i. Tranche I

Grant: AIL ESOS 2021 (modified)	**Vesting Date**		
Grant Date: 20 November 2022	**November 20, 2023**	**November 20, 2024**	**November 20, 2025**
Input variables			
Stock Price per share (Rs.)	985.35	985.35	985.35
Standard Deviation (Volatility)	44.39%	45.90%	44.84%
Risk-free Rate	7.03%	7.12%	7.16%
Exercise Price (Rs.)	321.00	321.00	321.00
Time to Maturity (in years)	2.50	3.50	4.50
Dividend yield	0.00%	0.00%	0.00%
Output			
Fair value of option (Rs.)	720.47	744.50	764.60

ii. Tranche II

Grant: AIL ESOS 2021 (modified)	Vesting Date			
Grant Date: 20 November 2022	November 20, 2023	November 20, 2024	November 20, 2025	November 20, 2026
Input variables				
Stock Price per share (Rs.)	985.35	985.35	985.35	985.35
Standard Deviation (Volatility)	46.81%	44.37%	44.20%	42.66%
Risk-free Rate	7.08%	7.12%	7.18%	7.31%
Exercise Price (Rs.)	321.00	321.00	321.00	321.00
Time to Maturity (in years)	3.00	4.00	5.00	6.00
Dividend yield	0.00%	0.00%	0.00%	0.00%
Output				
Fair value of option (Rs.)	733.86	753.56	773.65	791.09

iii. Tranche III

Grant: AIL ESOS 2021 (modified)	Vesting Date						
Grant Date: 20 November 2022	November 20, 2024	November 20, 2025	November 20, 2026	November 20, 2027	November 20, 2028	November 20, 2029	November 20, 2030
Input variables							
Stock Price per share (Rs.)	985.35	985.35	985.35	985.35	985.35	985.35	985.35
Standard Deviation (Volatility)	43.46%	42.33%	42.68%	42.17%	42.45%	42.42%	43.11%
Risk-free Rate	7.26%	7.34%	7.35%	7.35%	7.33%	7.36%	7.38%
Exercise Price (Rs.)	503.00	503.00	503.00	503.00	503.00	503.00	503.00
Time to Maturity (in years)	5.50	6.50	7.50	8.50	9.50	10.50	11.50

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Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Output							
Fair value of option (Rs.)	688.80	713.27	738.17	758.11	777.93	795.74	813.86

Fair value and assumptions for the equity-settled grant made on 20 November 2021

Grant: AIL ESOS 2021	Vesting Date						
Grant Date: 20 November 2021	November 20, 2022	November 20, 2023	November 20, 2024	November 20, 2025	November 20, 2026	November 20, 2027	November 20, 2028
Input variables							
Stock Price per share (Rs.)	411.81	411.81	411.81	411.81	411.81	411.81	411.81
Standard Deviation (Volatility)	41.64%	40.62%	41.21%	40.77%	41.31%	41.35%	41.89%
Risk-free Rate	5.72%	5.96%	6.19%	6.29%	6.36%	6.37%	6.48%
Exercise Price (Rs.)	321.00	321.00	321.00	321.00	321.00	321.00	321.00
Time to Maturity (in years)	4.50	5.50	6.50	7.50	8.50	9.50	10.50
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Output							
Fair value of option (Rs.)	210.91	226.79	244.51	257.65	271.43	282.50	294.59

Rationale for principal variables used:

- Time to maturity of options is the period of time from the grant date to the date on which option is expected to be exercised. Tł minimum life of stock option is the minimum period before which the options cannot be exercised, and maximum life is the period after which the options cannot be exercised.

- The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly availab information.

The company has recorded employee share-based compensation expense in the current year amounting to Rs. 1,55,13,828 (Previous year: Rs. 59,56,540/-) for the options issued to the employees.

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(All amounts in Indian Rupees millions, unless otherwise stated)

47 Revenue from contracts with customers

(a) Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gross Sales (Contracted Price)	6,510.74	5,902.73
Reductions towards variable consideration (Discount & Delayed Delivery Charges)	-	(2.26)
Revenue recognised	6,510.74	5,900.47

The Company derives its revenue from contracts with customers for the transfer of goods and services at a point in time and over the period in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

(b) External revenue by Product Line

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
3-Methoxy-2-Methyllenzoyl Chloride (MMBC)	976.42	588.49
4-(2-Methoxyethyl) Phenol (4MEP)	926.88	1,650.33
Bifenthrin Alcohol (BFA)	925.45	623.15
Thiophene-2-Ethanol (T2E)	498.47	668.10
2-Methoxy-6-Chlorotoluene (MCT)	331.91	190.75
1-[2-(2-Hydroxyethoxy)Ethyl]Piperazine (HEEP)	288.30	225.03
1-Deoxy-1-(Octylamino)-D-Glucitol (NODG)	221.38	219.18
Delta - Valerolactone (DVL)	218.35	195.31
4'-Methyl-2-Cyanobiphenyl (OTBN)	30.04	243.51
Other Products	1,276.16	817.56
Revenue from products (Recognised at point in time) (A)	5,693.36	5,421.42
Service name		
CRAMS	817.38	479.05
Revenue from services (Recognised over the period) (B)	817.38	479.05
Grand Total (A) + (B)	6,510.74	5,900.47

(c) Revenue by Business Classification

Product Name	For the year ended 31 March 2023	For the year ended 31 March 2022
Large Scale Manufacturing	3,356.91	3,955.02
Contract Manufacturing	2,233.79	1,402.39
Contract Research And Manufacturing Services (CRAMS)	816.59	479.05
Others	103.45	64.00
Total revenue	6,510.74	5,900.47

(d) Revenue by Geographies / Regions:

Country / Region	For the year ended 31 March 2023	For the year ended 31 March 2022
India (including Deemed Exports)	3,590.36	3,116.22
India (SEZ)	281.07	351.72
Italy	976.57	533.57
USA	519.38	227.81
Netherlands	358.20	142.88
Germany	266.57	377.45
Spain	120.00	504.96
China	105.16	90.17
Japan	67.70	71.26
Israel	59.33	24.56
Mexico	51.42	140.70
Switzerland	41.50	80.01
Belgium	8.85	65.17
Romania	5.24	20.50
Taiwan	0.66	90.37
Others - Europe	45.16	63.15
Others - Asia	13.55	-
Total revenue	6,510.74	5,900.47

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(All amounts in Indian Rupees millions, unless otherwise stated)

48 Leases

(a) For Right-of-use assets schedule - Please refer note 5

(b) Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Current	10.76	5.85
Non Current	145.32	50.69
Total	156.07	56.54

(c) Interest expenses on lease liabilities

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on lease liabilities	12.09	4.67

(d) Expenses on short term leases / low value assets

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Short-term lease	6.88	1.23
Low value assets	-	-

(e) Amounts recognised in the statement of cash flow

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total cash outflow for leases	11.03	10.01

(f) Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	26.59	14.19
One to five years	97.66	57.75
More than five years	202.31	5.40
Total undiscounted lease liabilities	326.56	77.35

(g) Other notes

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2018 is 9.50%.

Operating lease payable as per previous GAAP as at transition date is considered for calculation of lease liabilities under Ind AS 116.

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(All amounts in Indian Rupees millions, unless otherwise stated)

49 Operating Segment

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sales Value		
India	3,871.43	3,467.93
Rest of the World	2,639.31	2,432.54
	6,510.74	5,900.47
Carrying amount of assets*		
India	1,066.06	962.10
Rest of the world	1,523.75	672.71
	2,589.82	1,634.80
*Segment assets represent trade receivables		
Additions to property, plant and equipment, right of use assets and intangible assets		
India	4,123.39	563.53
	4,123.39	563.53

(b) Information about major customers (External Customers):

The following is the transactions by the company with external customers individually contributing 10% or more of revenue from operations:

(i) For the period ended March 31, 2023, revenue from operations of one customer of the company represented approximately 14.00% of revenue from operations.
(ii) For the year ended March 31, 2022, revenue from operations of one customer of the company represented approximately 12.10% of revenue from operations.

50 Corporate social responsibility

As per the provisions of section 135 of Companies Act 2013, the Company was required to spend Rs. 19.75 million (March 31, 2022: Rs.12.19 million), being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. However, the Company has spent Rs. 19.98 million (March 31, 2022: Rs. 12.19 million) towards Corporate Social Responsibility activities. Below are the details of the amount spent during the year :

Particulars	CSR activities	For the year ended 31 March 2023	For the year ended 31 March 2022
Aether Foundation	Promoting education in tribal and rural area	2.10	7.84
Ambika Education Trust, Dodipada	Promoting education in rural area	1.50	-
Kagzi Traders	To celebrate Azadi ka Amrut Mahotsav - Education	0.16	-
Surat Municipal Corporation	To celebrate Azadi ka Amrut Mahotsav - Education	0.02	-
Rogi Kalyan Samiti New Civil Hospital	Disaster management, including relief, rehabilitation and reconstruction activities (CoVID-19)	-	0.25
Kajorimal Basantilal Nagori Trust	Promoting education in rural area	0.60	0.50
Shivam Education Trust	Nursing College Building	2.50	-
Surat Manav Seva Sangh	Disaster management, including relief, rehabilitation and	-	1.00
Surat Raktadan Kendra and Research Centre	Preventive health-care measure	-	0.60
Nimar Abhyudaya Rural Management & Development Associatio	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly	-	1.00
Vanvasi Vikas Mandal, Waghai	Promoting education in tribal and rural area for girls	3.10	-
Shree Mahavir Health and Medical Relief Society	New Cancer Research Project / Preventive health-care measure	10.00	1.00
	Total	19.98	12.19

51 Events subsequent to March 31, 2023

None

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: May 6, 2023
ICAI UDIN: 23107086BGVKZM1632

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For and on behalf of the Board of Directors of
Aether Industries Limited

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: May 6, 2023

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: May 6, 2023

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: May 6, 2023

Chitrarth Parghi
Company Secretary
Mem. No.: F12563
Place: Surat
Date: May 6, 2023

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(All amounts in Indian Rupees millions, unless otherwise stated)

52 Ratios as per the Schedule III requirements

(a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Current Assets	6,751.75	4,097.90
Current Liabilities	940.02	2,421.75
Current Ratio (Times)	**7.18**	**1.69**
% Change from previous period / year	324.47%	

(b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Total Debt	1.06	2,850.75
Total Equity	12,446.06	3,868.89
Debt Equity Ratio (Times)	**0.00**	**0.74**
% Change from previous period / year	-99.99%	

(c) Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Particulars	As at 31 March 2023	As at 31 March 2022
Profit for the year	1,304.15	1,089.29
Add: Non cash operating expenses and finance cost	-	-
Depreciation and amortisation expense	232.45	154.87
Finance costs	50.93	131.21
Earnings available for debt services	**1,587.52**	**1,375.37**
Interest cost on borrowings	30.26	114.71
Principal repayments (including certain prepayments)	1,695.93	142.35
Total interest and principal repayments	**1,726.19**	**257.06**
Debt Service Coverage Ratio (Times)	**0.92**	**5.35**
% Change from previous period / year	-82.81%	

(d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	As at 31 March 2023	As at 31 March 2022
Profit for the year	1,304.15	1,089.29
Total Equity	12,446.06	3,868.89
Return on Equity Ratio (%)	**10.48%**	**28.16%**
% Change from previous period / year	-62.78%	

(e) Inventory Turnover Ratio = Closing Inventory divided by Cost of Material Consumed plus Changes in Inventory in to 365/366

Particulars	As at 31 March 2023	As at 31 March 2022
Cost of materials consumed	3,173.39	2,880.33
Closing Inventory	2,487.66	1,627.44
Inventory Turnover Ratio (Days)	286	206
% Change from previous period / year	38.74%	

(f) Trade receivables turnover ratio = Credit Sales divided by Closing Trade Receivables in to 365/366

Particulars	As at 31 March 2023	As at 31 March 2022
Credit Sales	6,510.74	5,900.47
Closing Trade Receivables	2,589.82	1,634.80
Trade Receivables Ratio (Days)	145	101
% Change from previous period / year	43.57%	

(g) Trade payables turnover ratio = Closing trade payables divided by Cost of Materials Consumed in to 365/366

Particulars	As at 31 March 2023	As at 31 March 2022
Cost of materials consumed	3,173.39	2,880.33
Closing Trade Payables	815.18	698.54
Trade Payables Turnover Ratio (Days)	94	89
% Change from previous period / year	5.92%	

(h) Net capital Turnover Ratio =Revenue from Operations divided by Net Working capital whereas net working capital= current assets - current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Revenue from operations	6,510.74	5,900.47
Net Working Capital	5,811.73	1,676.15
Net Capital Turnover Ratio (Times)	1.12	3.52
% Change from previous period / year	-68.18%	

(i) Net profit ratio = Net profit after tax divided by Revenue from operations.

Particulars	As at 31 March 2023	As at 31 March 2022
Profit for the year	1,304.15	1,089.29
Revenue from operations	6,510.74	5,900.47
Ratio (Times)	**0.20**	**0.18**
% Change from previous period / year	8.50%	

(j) Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Capital Employed- pre cash

Particulars	As at 31 March 2023	As at 31 March 2022
Profit/(Loss) before tax* (A)	1,744.76	1,464.73
Finance Costs* (B)	50.93	131.21
Other income* (C)	165.65	69.74
EBIT (D) = (A)+(B)-(C)	**1,630.03**	**1,526.20**
Capital Employed- Pre Cash (K)=(E)+(F)+(G)-(H)-(I)-(J)	**11,414.22**	**6,369.36**
Total Equity (E)	12,446.06	3,868.89
Non-Current Borrowings (F)	-	1,218.13
Current Borrowings (G)	1.06	1,632.62
Current Investments (H)	10.01	170.11
Cash and Cash equivalents (I)	709.08	33.39
Bank balances other than cash and cash equivalents (J)	313.81	146.77
Ratio (D)/(K) (%)	14.28%	23.96%
% Change from previous period / year	-40.40%	

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53 Other matters:

a. Registration of charges or satisfaction with Registrar of Companies (ROC):
The Company had registered various charges with the ROC within the statutory time period. During the financial year, the Company has repaid all its Term Loans and hence the collaterals have been released from the bank and accordingly the charges registered with ROC, have been satisfied.

b. Details of Benami Property held:
The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, hence no proceedings initiated or pending against the Company under the said Act and Rules.

c. Loans and advances granted to specified person
Except as stated in the notes to accounts and financial statements, there are no other loans or advances granted to specified persons namely the promoters, directors, KMPs and related parties.

d. Utilisation of borrowed funds, share premium and other funds
The Company has not received any funds from any person or entity with the understanding that the Company would directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiary) or provided any guarantee or security or the like on behalf of the ultimate beneficiary,

The Company has not advanced or loaned or invested to any other person(s), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

Ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

e. Compliance with the number of layers of companies
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

f. Details of Crypto Currency or Virtual Currency
The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

g. Undisclosed Income
There is no transaction, which has not been recorded in the books of accounts, that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

h. Relationship with struck off companies
The Company has not have any transactions with companies, which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

AETHER INDUSTRIES LIMITED Authorised SURAT

BIRJU S. SHAH & ASSOCIATES

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PIPLOD, SURAT – 395 007.
Phone : (O) 91 99784 44603, (M) 91 98251 67067
Email :cabirjiushah@gmail.com, sarvam9@gmail.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Aether Industries Limited,
Surat

I. Audit Report on the Financial Statements

1. Opinion

A. We have audited the accompanying Standalone Ind AS Financial Statements of AETHER INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Financial Statements

A. The Company's management is responsible for preparation of these Financial Statements that give a true and fair view of the state of affairs, profit, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

B. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

A. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards of Auditing issued by the institute of chartered accountants of India, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT.

B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

i) planning the scope of our audit work and in evaluating the results of our work; and

ii) to evaluate the effect of any identified misstatements in the Financial Statements.

D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT.

E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account

D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014

E. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 3from being appointed as a director in terms of Section 164 (2) of the Act.

F. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

H. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The companies forming part of the Group do not have any pending litigations which would impact the financial position of the Group as at 31 March 2023.

BIRJU S. SHAH & ASSOCIATES
M. No. 107086
SURAT.
CHARTERED ACCOUNTANTS

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ii. The companies forming part of the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies forming part of the Group .

iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, 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 provide any guarantee, security or the like on behalf of the Ultimate
Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The company has not declared or paid any dividend during the year in accordance with section 123 of the Companies Act 2013", Hence clause not applicable.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies

(Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company included in the standalone financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

III. Other Matters

1. Opening balance with respect to the financial information for the year ended 31 March 2023, included in these Financial Statements, are based on audited Financial Statements for the year ended 31 March 2022, which has been approved by the Company's Board of Directors on June 16, 2022.

Our opinion is not modified in respect of this matter.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration Number: 131554W

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT.

Proprietor
Membership No. 107086

Place: SURAT.
Date: 06.05.2023
UDIN: 23107086BGVKZK5632

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ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of AETHER INDUSTRIES LTD for the year ended March 31, 2023.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) A. **whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;**

Yes, all the Capital Assets have been properly recorded containing details of quantity, situation and all other relevant particulars from which particular Asset can be identified.

B. **whether the company is maintaining proper records showing full particulars of intangible assets;**

Yes, the company is following proper harmonized system to record its Fixed Assets which demonstrate full particulars of the Assets.

(b) **whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt within the books of account;**

Yes, all the capitalized Assets are physically verified by the management.

(c) **Whether the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company, If not, provide the details thereof in the format below:-**

Yes, the Company has leasehold title of:
1. *Plot No. 8203, GIDC, Sachin, Suart - 394230*
2. *Plot No. 8202/1, GIDC Sachin, Surat – 394230*
3. *Plot No. 14+15, GIDC, Panoli, Bharuch.*

(d) **Whether the Company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;**

No, there is no revaluation in respect of Property, Plant and Equipment (including Right of Use assets) or intangible assets or both has been made during the year.

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(e) **Whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions(Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, whether the Company has appropriately disclosed the details in its financial statements;**

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No, there is no proceedings under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, have been initiated or are pending against the company till the audit period.

2. (a) **whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account;**

Yes, Inventory (Including but not limited to Raw Material, Semi-Finished and Finished Goods) has been properly verified by the management at reasonable intervals. No material discrepancies have been noticed during the course of audit. The physical verification for March 31, 2023 was also attended by the auditors.

(b) **whether during any point of time of the year, 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; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;**

Yes, the company has been sanctioned working capital limit exceeding five crores and quarterly returns and statements are in conformity with the books of accounts of the Company.

3. **whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so,-**

No, during the audit period, the Company has not made any investment in, provided any guarantee or security or granted, secure or unsecured, to companies, firms, LLP or any other parties. The company has a policy to give short term loans to the employees and proper documentation as well as policy of the company has been followed.

(a) **whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-**

A. **the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates;**

This particular clause is not applicable to the company for the audit period.

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B. **the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;**

This particular clause is not applicable to the company for the audit period.

(b) whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

This particular clause is not applicable to the company for the audit period.

(c) in respect of loans and advances in the nature of loans whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;

In respect of loans provided to the employees of the company, a proper schedule of the repayment of loan has been stipulated and repayment or receipts are regular.

(d) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;

This particular clause is not applicable to the company for the audit period.

(e) whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [not applicable to companies whose principal business is to give loans];

This particular clause is not applicable to the company for the audit period.

(f) whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of Section 2 of the Companies Act, 2013;

This particular clause is not applicable to the company for the audit period.

4. in respect of loans, investments, guarantees, and security, whether provisions of Sections 185 and 186 of the Companies Act have been complied with, if not, provide the details thereof;

Yes, the provisions of Section 185 and 186 have been duly complied with.

5. in respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made there under, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not;

This particular clause is not applicable to the company for the audit period.

6. **whether maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act and whether such accounts and records have been so made and maintained;**

Yes, the company has maintained proper cost records within the premises.

7 (a) **whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;**

Yes, all the statutory dues including GST, PF, ESI, Income Tax, custom duty, etc. have been deposited at regular intervals well within the due dates, during the audit period.

(b) **where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute);**

There are appeals pending in income tax for the Fiscal Years 2019-20. The disputed demand of Rs. 1,49,004/- for A.Y. 2017-18, Rs.9,36,080/- for A.Y. 2018-19 and Rs. 9,97,156/- for AY 2020-21 are outstanding.

8. **Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year;**

No such instances have been found.

9. (a) **whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below: -**

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*	*Remarks, if any*
	**lender wise details to be provided in case of defaults to banks, financial institutions and Government*				
NA	*NA*	-	-	-	-

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(b) **whether the company is a declared willful defaulter by any bank or financial institution or other lender;**

No.

(c) **whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported;**

Yes, disbursed amount of sanction for term loans have been utilized for the purpose for which the same has been sanctioned and obtained. Further, during the year under audit, the Company has paid off all the Term Loans from the IPO proceeds and then not availed any further term loans.

(d) **whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated;**

No.

(e) **whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case;**

No, the company has not taken any fund for the stated purpose.

(f) **whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;**

No. the company has not taken any fund for the stated purpose.

10. (a) **whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised, if not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;**

Yes, the Company has raised monies by way of Initial Public Offering (IPO) during the year and the monies so raised have been properly utilized towards the object clause of the offer document filed by the Company with SEBI and ROC.

(b) **whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance;**

The company has made preferential allotment or private placement of shares but not of convertible debentures (fully, partially or optionally convertible) during the year. The provision of Section 42 and 62 of the Companies Act, 2013 has been duly complied with.

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 102086 SURAT.

11. (a) **whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated;**

No any kind of such instances has been noticed during the course of audit.

(b) **whether any report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;**

No.

(c) **whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;**

No, such kind of instances have not been noticed during the course of audit.

12. (a) **whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability;**

This particular clause is not applicable to the company for the audit period.

(b) **Whether the Nidhi Company is maintaining ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;**

This particular clause is not applicable to the company for the audit period.

(c) **whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;**

This particular clause is not applicable to the company for the audit period.

13. **whether all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;**

Yes, the provisions of Section 177 and 188 of the Companies Act, 2013 has been duly complied by the company and has also been duly disclosed in the financial statements as required by the Ind AS 24.

14. (a) **whether the company has an internal audit system commensurate with the size and nature of its business;**

Yes, the company has an adequate internal audit system which commensurate with the size and nature of its business.

(b) **whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;**

Yes, the internal auditor's report has been duly considered for statutory auditors.

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15. **whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of Section 192 of Companies Act have been complied with;**

The company has not entered into any non-cash transactions with any directors or persons connected with them.

16. (a) **whether the company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained;**

This particular clause is not applicable to the company for the audit period.

(b) **whether the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;**

This particular clause is not applicable to the company for the audit period.

(c) **whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria;**

This particular clause is not applicable to the company for the audit period.

(d) **whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;**

This particular clause is not applicable to the company for the audit period.

17. **Whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses;**

No. the company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

18. **whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors;**

No, there is no resignation of statutory auditors during the year.

19. **on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;**

Yes, as per the substantive analytical procedures, the company is in position to meet its liability

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exist on the date of balance sheet and when they fall due within a period of one year from the date of balance sheet.

20. (a) whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act;

Yes, the company has duly complied with the provisions of Section 135 of the companies act, 2013.

(b) whether any amount remaining unspent under sub-section (5) of Section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of Section 135 of the said Act;

This particular clause is not applicable to the company for the audit period.

21. Whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO Report containing the qualifications or adverse remarks.

This particular clause is not applicable to the company for the audit period.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration No. : 131554W

Place : Surat
Date : 06/05/2023
UDIN: **23107086BGVKZK5632**

Proprietor
Membership No. 107086

BIRJU S. SHAH & ASSOCIATES
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ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **AETHER INDUSTRIES LTD**. ("The Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration No. : 131554W

Proprietor
Membership No. 107086

Place : Surat
Date : 06/05/2023
UDIN:23107086BGVKZK5632

BIRJU S. SHAH & ASSOCIATES M. No. 107086 SURAT CHARTERED ACCOUNTANTS

AETHER INDUSTRIES LIMITED

Annexure I - Statement of Assets and Liabilities

(All amounts in Indian Rupees millions, unless otherwise stated)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,333.54	2,355.28
Capital work-in-progress	4	371.66	577.42
Right-of-use assets	5	1,122.55	211.21
Other intangible assets	6	5.83	4.49
Financial assets			
(i) Investments	7	2.60	2.09
(ii) Other financial assets	8	27.01	23.20
Other non-current assets	9	184.68	426.64
Total non-current assets		7,047.88	3,600.34
Current assets			
Inventories	10	2,487.66	1,627.44
Financial assets			
(i) Investments	11	10.01	170.11
(ii) Trade receivables	12	2,589.82	1,634.80
(iii) Cash and cash equivalents	13	708.64	33.39
(iv) Bank balances other than (iii) above	14	313.81	146.77
(v) Loans	15	11.38	8.36
(vi) Other financial assets	16	3.27	2.70
Other current assets	17	626.69	474.34
Total current assets		6,751.28	4,097.90
Total assets		13,799.16	7,698.25
EQUITY & LIABILITIES			
Equity			
Equity share capital	18	1,245.11	1,126.91
Other equity	19	11,200.98	2,741.97
Total equity		12,446.09	3,868.89
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	-	1,218.13
(ii) Lease liabilities	21	145.32	50.69
Deferred tax liabilities (net)	36 (d)	267.76	138.79
Total non-current liabilities		413.08	1,407.61
Current liabilities			
Financial liabilities			
(i) Borrowings	22	1.06	1,632.62
(ii) Lease liabilities	23	10.76	5.85
(iii) Trade payables	24		
a) total outstanding dues of micro enterprises and small enterprises		191.09	211.19
b) total outstanding dues of creditors other than micro enterprises and		624.09	487.35
(iv) Other financial liabilities	25	96.92	63.46
Other current liabilities	26	16.08	14.67
Provisions	27	-	-
Current tax liabilities (net)	36 (c)	-	6.61
Total current liabilities		940.00	2,421.75
Total liabilities		1,353.08	3,829.37
Total equity and liabilities		13,799.16	7,698.25

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

3 to 45

As per our report of even date attached

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: May 6, 2023
ICAI UDIN: 23107086BGVKZK5632

For and on behalf of Board of Directors of
Aether Industries Limited
CIN: L24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: May 6, 2023

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: May 6, 2023

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: May 6, 2023

Chitrarth Parghi
Company Secretary
Mem. No.: F12563
Place: Surat
Date: May 6, 2023

AETHER INDUSTRIES LIMITED

Annexure II - Statement of Profit and Loss

(All amounts in Indian Rupees millions, unless otherwise stated)

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	28	6,510.74	5,900.47
Other Income	29	165.65	69.74
Total income		6,676.39	5,970.21
Expenses			
Cost of materials consumed operation and incidental cost	30	3,796.14	3,585.21
Changes in inventories of finished goods and work-in-progress	31	(622.76)	(704.88)
Employee benefits expense	32	344.57	270.44
Finance costs	33	50.93	131.21
Depreciation and amortisation expense	34	232.45	154.87
Other expenses	35	1,130.27	1,068.63
Total expenses		4,931.60	4,505.48
Profit before tax		1,744.79	1,464.73
Tax expense:	36		
Current tax		311.22	338.73
Deferred tax		129.39	36.72
Total Tax Expenses		440.61	375.45
Profit for the period (A)		1,304.17	1,089.29
Other comprehensive (loss) / income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		(1.67)	(1.98)
(i) Income tax relating to remeasurements of defined benefit liability / (asset)		0.42	0.50
Other comprehensive (loss) / income (B)		(1.25)	(1.48)
Total comprehensive income for the period (A+ B)		1,302.93	1,087.81
Earnings per equity share			
[nominal value of Rs. 10]			
Basic	37	10.47	9.67
Diluted		10.47	9.67

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

3 to 45

As per our report of even date attached

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT.

For and on behalf of the Board of Directors of
Aether Industries Limited
CIN: L24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: May 6, 2023

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: May 6, 2023

AETHER INDUSTRIES LIMITED Authorised SURAT

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: May 6, 2023

Chitrarth Parghi
Company Secretary
Mem. No.: F12563
Place: Surat
Date: May 6, 2023

Place: Surat
Date: May 6, 2023
ICAI UDIN: 23107086BGVKZK5632

AETHER INDUSTRIES LIMITED

Annexure III - Statement of Changes in Equity

(All amounts in Indian Rupees millions, unless otherwise stated)

(a) Equity share capital

	As at 31 March 2023		As at 31 March 2022	
Particulars	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the reporting period	112,691,397	1,126.91	10,098,567	100.99
Changes in equity share capital during the period	11,819,324	118.19	102,592,830	1,025.93
Balance at the end of the reporting period	124,510,721	1,245.11	112,691,397	1,126.91

For any subsequent event changes relating to share capital, refer note number 51(a).

(b) Other equity

Particulars	Reserves and surplus			Total other equity
	Employee Share Option Reserve	Securities premium	Retained earnings	
Balance at 1 April 2021		234.62	1,407.72	1,642.34
Total comprehensive income for the year ended 31 March 2022				
Profit for the period		-	1,089.29	1,089.29
Other comprehensive income (net of tax)				-
- Remeasurements of defined benefit liability / (asset)		-	(1.48)	(1.48)
Total comprehensive income	-	-	1,087.81	1,087.81
Other movements for the year ended 31 March 2022				
Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)		(234.62)	(775.24)	(1,009.86)
Preferential Allotment of Shares (1607160 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share)		1,015.73	-	1,015.73
Shares based payment options outstnading (ESOPs valuation)	5.96			5.96
Balance at 31 March 2022	5.96	1,015.73	1,720.29	2,741.97
Balance at 1 April 2022	5.96	1,015.73	1,720.29	2,741.97
Total comprehensive income for the period ended 31 March 2023				
Profit for the period		-	1,304.17	1,304.17
Other comprehensive income (net of tax)				
- Remeasurements of defined benefit liability / (asset)		-	(1.25)	(1.25)
Other movements for the period ended 31 March 2023				
Preferential Allotment of Shares (2024921 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share)		1,279.75		1,279.75
Allotment of Shares in IPO (9766355 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share)		6,172.34		6,172.34
Shares based payment options outstnading (ESOPs exercised)	(5.92)	5.92		-
Shares based payment options outstnading (ESOPs valuation)	15.51			15.51
IPO Expenses		(319.91)		(319.91)
Allotment of Shares under exercise of ESOPs (28048 Equity Shares of Rs. 10 each at a Premium of Rs. 311 per share)		8.72		8.72
Changes in the Lease Liabilities			(0.33)	(0.33)
Total movements	9.60	7,146.82	1,302.59	8,459.00
Balance at 31 March 2023	15.55	8,162.55	3,022.88	11,200.98

Nature and purpose of reserves

i) Retained earnings

Retained earnings comprises of undistributed earnings after taxes

ii) Securities premium

Securities premium account is used to record the premium on issue of shares and the IPO expenses have been netted off from the same

iii) Employee share option

Employee share options pending to be exercised are recorded here

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

Notes to the financial statements

As per our report of even date attached.

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: May 6, 2023
ICAI UDIN: 23107086BGVKZK5632

For and on behalf of the Board of Directors of
Aether Industries Limited
CIN: L24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: May 6, 2023

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: May 6, 2023

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: May 6, 2023

Chitrarth Parghi
Company Secretary
Mem. No.: F12563
Place: Surat
Date: May 6, 2023

AETHER INDUSTRIES LIMITED

Annexure IV - Statement of Cash Flows
(All amounts in Indian Rupees millions, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Profit before tax	1,744.79	1,464.73
Adjustments to reconcile profit before tax to net cash flows:		
Net unrealised foreign exchange (gain)/loss	3.85	(7.28)
Finance costs	50.93	131.21
Interest income	(74.31)	(4.68)
Income from Mutual Funds	(8.55)	(3.23)
Depreciation and amortisation expenses	232.45	154.87
Operating profit before working capital changes	1,949.15	1,735.62
Movement in working capital:		
(Increase)/Decrease in trade receivables	(955.02)	(552.40)
(Increase) / Decrease in current investments	160.10	50.79
(Increase)/Decrease in inventories	(860.22)	(780.16)
(Increase)/Decrease in other current assets	(152.35)	(358.90)
(Increase)/Decrease in other financial assets	(7.40)	(5.29)
Increase/(Decrease) in trade payables	116.64	220.81
Increase/(Decrease) in other current liabilities	1.41	(26.45)
Cash generated from operations	252.31	284.03
Net income tax (paid)	(317.84)	(338.45)
Net cash from operating activities (A)	(65.52)	(54.42)
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(4,014.20)	(527.66)
Capital work in progress and capital advance	447.72	(989.66)
Dividend from current investments	82.86	7.90
Long Term Investments	(0.50)	-
Net cash used in investing activities (B)	(3,484.13)	(1,509.41)
C. Cash flows from financing activities		
Proceeds / (Repayment) from long-term borrowings	(1,510.33)	267.63
Proceeds / (Repayment) of borrowings (Unsecured)	(449.20)	323.50
Proceeds / (repayment) from working capital facilities (net)	(890.16)	177.62
Preferential allotment of Shares	1,300.00	1,031.80
IPO - allotment of Shares	6,270.00	-
ESOPs - allotment of Shares	9.00	-
IPO Expenses	(319.91)	-
Proceeds / (repayment) of Other Financial liabilities	33.46	19.03
Interest paid	(50.93)	(131.21)
Net cash used in financing activities (C)	4,391.94	1,688.37
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	842.29	124.54
Effect of exchange differences on account of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the beginning of the period / year	180.16	55.63
Cash and cash equivalents at the end of the period / year	1,022.45	180.16
Notes:-		
1. Cash and cash equivalents include		
Cash on hand	1.07	0.98
Balances with bank		
- Current accounts	1.61	0.01
- EEFC accounts	148.30	32.40
- Cash Credit accounts	557.66	-
Other bank balances	313.81	146.77
	1,022.45	180.16

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

Significant non-cash movement in investing and financing activities

	For the year ended 31 March 2023	For the year ended 31 March 2022
Foreign exchange fluctuations	(4.81)	0.08
Acquisition of Right-of-use assets with corresponding impact to lease liabilities	932.85	130.02

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report attached of even date

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No. 131554W

Birju S. Shah
Proprietor
Membership No: 107086

M. No. 107086 SURAT.

Place: Surat
Date: May 6, 2023
ICAI UDIN: 23107086BGVKZK5632

For and on behalf of the Board of Directors of
Aether Industries Limited
CIN: L24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
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Date: May 6, 2023

Chitrarth Parghi
Company Secretary
Mem. No.: F12563
Place: Surat
Date: May 6, 2023

AETHER INDUSTRIES LIMITED Authorised SURAT

1 Reporting Entity

Aether Industries Ltd (Aether) was incorporated on January 23, 2013 as a Public Limited Company under the Companies Act, 1956. It is engaged in the business of Specialty Chemicals and Intermediates. The products of the Company find application in various sectors like Pharmaceuticals, Agrochemicals, Specialty, Electronic Chemicals, Material Sciences, High Performance Photography etc. The CIN of the Company is L24100GJ2013PLC073434.

Between the year 2013 and early year 2015, the Promoters acquired a leased premise at GIDC Industrial Estate, Hojiwala, Sachin, Surat and established their Laboratory, Research & Development and Pilot Plant facilities. The Promoters realized at the conceptual stage itself that Specialty Chemicals is essentially a "Research & Knowledge" driven Industry, and identification of the 'Chemistries' and 'Technologies' before constructing the main plant, through Laboratory/R&D/Pilot facilities was a necessary pre-requisite. The period up to 2015 was hence utilized for installing Lab/R&D/Pilot Plants, developing several products/processes (up to Pilot stage), showcasing the Company's capabilities through various International Exhibitions/Conferences etc., effecting trial samples/supplies, facing rigorous audits from prospective International Buyers etc.

After meeting with a fair degree of success and acceptance from the targeted buyers, the Company acquired about 10500 Sq. Mtrs. of land at the GIDC Industrial Estate, Sachin, Surat in February 2015 for setting up its main plant. The plant stood commissioned as per schedule, and the first stream went into operations in October 2016 / November 2016. Meanwhile, certain modifications /up-gradations /automations were carried out during implementation.

The Company was able to carry on with the success with which they started of with the first Project which was ready by November 2016, by way of achieving total revenues of Rs. 248.60 million in FY 2016-17, Rs. 1091.90 million in FY 2017-18, Rs. 2,032.77 million in FY 2018-19, Rs. 3,037.81 million in FY 2019-20 and Rs. 4,537.89 million in FY 2020-21 and Rs. 5,970.21 million in FY 2021-22.

The Company, because of its continuous growth and increasing demands for the products, along with the necessity to launch new products for various applications, is once again planning for yet another expansion. For the said new expansion, the Company has procured a Plot of Land in GIDC Industrial Estate, admeasuring 5250 Sq. Mtrs. and the same is located diagonally opposite tot he current location of the Company. The new plot acquired by the Company is 8202/1 and the current one is 8203. The plant at Plot 8202/1 has also been commissioned and started from Janaury 16, 2023.

The Company achieved Sales Turnover of Rs. 6,510.83 million and Total Revenue of Rs. 6,676.48 million in 2022-23 with an EBITDA Margin of 30.38%.

Production capacity of 6096 MTPA (March 31, 2022: 6096 MTPA) is available in our state-of-art and DCS automated manufacturing facilities. Aether is also a leading CRAMS (contract research and manufacturing services) provider, built upon technology intensive and state-of-art R&D and pilot plant facilities. All of our R&D, pilot, CRAMS, and large scale manufacturing facilities are capable of switching between batch and continuous process technology. The Production capacity of Plant is 3500 MTPA (March 31, 2022: NA).

Aether is based on a core competency model of cutting-edge chemistry and technology competencies.

Aether's business models include Large Scale Manufacturing of Speciality Chemicals, Contract Manufacturing and Contract Research And Manufacturing Services (CRAMS).

M. No. 107086 SURAT.

Authorised SURAT

2 Summary of Significant Accounting Policies

The Ind AS Financial Statements comprise of the Audited Statement of Assets and Liabilities as at March 31, 2023 and as at March 31, 2022, the related Audited Ind AS Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended March 31, 2023 and March 31, 2022 respectively and the Significant Accounting Policies and Other Financial Information.

These Financial Statements have been prepared as required under the SEBI ICDR Regulations prepared in terms of the requirements of: (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"); (b) relevant provisions of the SEBI ICDR Regulations; and (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

2.1 Basis of preparation and presentation of financial statements

Compliance with Ind AS:
The Standalone Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2018 a the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

A. Basis of Preparation:

(i) The Audited Ind AS Statement of Assets and Liabilities of the Company as at March 31, 2023 and March 31, 2022 respectively and the Audited Ind AS Statement of Profit and Loss, Audited Ind AS Statement of Changes in Equity and Audited Ind AS Statement of Cash Flows for the year ended March 31, 2023 and March 31, 2022 respectively (hereinafter collectively referred to as "Ind AS Financial Information") have been prepared under Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act as amended from time to time.

(ii) The audited financial statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with recognition and measurement principles under Indian Accounting Standard ('Ind AS') 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 6, 2023.

The Board of Directors approved the Financial Statements as per the Ind AS, for the year ended on March 31, 2023 along with Financial Statements for the year ended March 31, 2022 and authorised to issue the same vide resolution passed in the Board Meeting held on May 6, 2023.

B. Basis of measurement:

The Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013. The exceptions to the same are:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and

- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of define benefit obligations.

M. No. 107086 SURAT.

Authorised

C. Current and non-current classification of assets and liabilities:

The Assets and Liabilities and the Statement of Profit & Loss, including related notes, are prepared and presented as per the requirements of Schedule III (Division II) to the Companies Act, 2013. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

D. Functional and presentation currency:

The functional and presentation currency in these Financial Statements is INR and all amounts are rounded to nearest millions, up to 2 decimal places, unless otherwise stated.

E. Use of judgements, estimates and assumptions:

The preparation of Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and the disclosure of the contingent liabilities on the date of the preparation of Financial Statements. Such estimates are on a reasonable and prudent basis considering all available information, however due to uncertainties about these judgements, estimates and assumptions, the actual results could differ from those estimates. Information about each of these estimates and judgements is included in relevant notes. Any revision to accounting estimates is recognised prospectively in current and future periods.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Financial Statements is included in the following notes:

Note Nos. 42 & 43- classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment, assumptions and estimation uncertainties are provided here, whereas the quantitative break-ups for the same are provided in the notes mentioned below:

- Note 3 and Note 6 - Useful life of depreciable assets, Property, Plant and Equipment and Other Intangible Assets.

- Note 38 - Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.

- Note 36 - Recognition of tax expenses including deferred tax.
- Note 45 - Defined benefit obligation, key actuarial assumptions.
- Note 12 - Impairment of trade receivables.
- Note 10 - Valuation of Inventories.

Going concern assumption:

These Financial Statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the various situations, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this Financial Statements. Based on this evaluation, management believes that the Company will be able to continue as a "going concern" in the foreseeable future and for a period of at least twelve months from the date of these Financial Statements based on the following:

- Expected future operating cash flows based on business projections, and
- Available credit facilities with its bankers

BIRJU S. SHAH & ASSOCIATES M. No. 107086 SURAT.

AETHER INDUSTRIES LIMITED Authorised SURAT

Based on the above factors, the management has concluded that the "going concern" assumption is appropriate. Accordingly, the Financial Statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

Reclassification:
The company reclassifies comparative amounts, unless impracticable and whenever the company changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

2.2 Property, Plant And Equipment:

Recognition and measurement:
The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable import duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spares parts procured along with the Plant and Equipment or subsequently having value of Rs. 50,000 or more individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Subsequent costs:
The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing the property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal:
An item of property, plant and equipment is derecognised upon the disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income / expenses in the statement of profit and loss.

Depreciation:
The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

M. No. 107986 SURAT

Aether Industries Limited Authorised Surat

The management has estimated the useful life of the Tangible Assets as mentioned below:

Asset Class	Years
Factory Building	30
Other Building	10
Plant & Machinery	20
Plant & Machinery (Pipelines)	15
Office Equipment	5
Factory Equipment	10
Computer Equipment (Servers & Networks)	6
Computer Equipment (Others)	3
Other Equipment	10
Furniture & Fixtures	10
Vehicle Equipment	8

Impairments of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount, Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.3 Intangible Assets:

Recognition and measurement:

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually, either individually or at the cash-generating unit level.

Expenditure on Research activities is recognised in the statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

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Subsequent measurement:
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation:
The useful lives of intangible sets are assessed as either finite of indefinite.

Intangible assets i. e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life of the Intangible Assets as mentioned below:

Asset Class	Years
Software & Licenses	6
Trade Marks	4
Other Assets	4

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Disposal:
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 and loss when the asset is derecognized.

2.4 Financial Assets:

A. Fair Value Assessment:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

B. Subsequent Measurement:

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

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C. Financial assets measured at amortized cost:

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. 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 Statement of Profit And Loss. The losses arising from impairment are recognized in the Statement of Profit And Loss.

D. Financial assets at fair value through OCI ('FVTOCI'):

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit And Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

E. Financial assets at fair value through profit or loss ('FVTPL'):

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit And Loss.

F. Derecognition:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

G. Impairment of Financial Assets:

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

ECL is measured through a loss allowance on a following basis:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

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2.5 Financial Liabilities:

The Company's financial liabilities include trade payable.

A. Initial recognition and measurement:

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit And Loss .

B. Subsequent measurement:

The subsequent measurement of financial liabilities depends upon the classification as described below:-

a. Financial Liabilities classified as Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised 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. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit And Loss.

b. Financial Liabilities classified as Fair value through profit And loss (FVTPL):

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Exports benefits are accounted for in the year of exports based on the eligibility and when there is certainty of receiving the same.

C. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. 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 de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit And Loss.

D. 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.

Other incomes, other then interest and dividend are recognized when the same are due to be received and right to receive such other income is established.

2.6 Share Capital and Share Premium:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

2.7 Dividend Distribution to equity shareholders:

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

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2.8 Cash Flows and Cash and Cash Equivalents:

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

The Company is banking with the below mentioned Banks for its Working Capital and Banking Requirements:

1. ICICI Bank Ltd.
2. HDFC Bank Ltd.
3. State Bank of India

2.9 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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 costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

2.10 Revenue Recognition and Other Income:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sale of goods is recognized, when the control is transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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2.11 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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 Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a sustentive substitution right, then the asset is not identified.

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

the Company has the right to operate the asset; or
the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as a lessee:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets re determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lase payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to e payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change n an index or rate, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease remaining as on the date of purchase.

Short-term leases and leases of low-value assets:
The Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease term of 12 months of less and leases of low-value assets. The Company recognises the lease payments associated with such leases as an expense on a straight-line basis over the lease term.

2.12 Income Taxes:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax:
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the a tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax:
Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be 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 asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.13 Current versus Non-Current classification:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the 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.

b) A liability is current when:

- It is expected to be settled in the 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.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

2.14 Employee benefits:

(i) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Undiscounted value of benefits such as salaries, incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

(ii) Long term benefits:

Defined Contribution Plans:

The Company contributes to the employee's approved provident fund scheme. The Company's contribution paid/payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

Defined Benefit Plans:

Gratuity Liability is a defined benefit obligation and is provided on the basis of an actuarial valuation model made at the end of the Financial Year. The Gratuity Liability is funded by the Company by maintaining the funds with a separate Asset Management Company, i. e., LIC of India. Contributions to such fund is charged to Profit & Loss Account. Actuarial Valuation of the Gratuity is done at the end of the Financial Year and accounted for accordingly.

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2.15 Trade Receivables:

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered as doubtful.

2.16 Inventories:

(i) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.

(ii) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(iii) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.

(iv) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

2.17 Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost an other costs that an entity incurs in connection with the borrowings of the funds.

2.18 Earnings per share:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.19 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief Operating Decision Maker by the management of the Company.

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2.20 Foreign currency transactions:

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monitory assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monitory items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

2.21 Government grants and subsidies:

Grants / subsidies that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

Export Incentives:

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.22 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Financial Statements is required to be disclosed.

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(All amounts in Indian Rupees millions, unless otherwise stated)

3 Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2022	Additions	Disposals during the period	As at 31 March 2023	As at 01 April 2022	Charge for the period	Disposals during the period	As at 31 March 2023	As at 01 April 2022	As at 31 March 2023
Factory building	332.39	345.44	-	677.83	37.93	12.13	-	50.06	294.47	627.77
Other building	21.11	-	-	21.11	10.53	2.01	-	12.53	10.58	8.58
Plant and machinery	2,068.28	2,439.09	-	4,507.37	267.56	142.44	-	410.00	1,800.72	4,097.36
Office equipment	23.94	21.42	-	45.35	10.73	5.65	-	16.38	13.21	28.98
Factory equipment (electric)	208.03	255.49	-	463.51	47.24	23.72	-	70.96	160.79	392.56
Computer equipment	38.70	20.87	-	59.57	28.25	8.26	-	36.51	10.45	23.06
Other equipment (Lab)	71.00	77.15	-	148.14	28.27	9.82	-	38.09	42.73	110.05
Furniture and fixtures	25.20	24.03	-	49.22	8.67	3.70	-	12.38	16.52	36.85
Vehicle equipment	7.95	3.55	-	11.50	2.14	1.02	-	3.16	5.81	8.34
Total	2,796.59	3,187.02	-	5,983.61	441.31	208.76	-	650.07	2,355.28	5,333.54

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2021	Additions	Disposals during the period	As at 31 March 2022	As at 01 April 2021	Charge for the period	Disposals during the period	As at 31 March 2022	As at 01 April 2021	As at 31 March 2022
Factory building	281.78	50.61	-	332.39	28.29	9.64	-	37.93	253.49	294.47
Other building	21.11	-	-	21.11	8.53	2.00	-	10.53	12.58	10.58
Plant & machinery	1,744.06	324.22	-	2,068.28	173.01	94.55	-	267.56	1,571.05	1,800.72
Office equipment	17.41	6.53	-	23.94	7.06	3.67	-	10.73	10.35	13.21
Factory equipment (electric)	174.62	33.41	-	208.03	28.97	18.27	-	47.24	145.65	160.79
Computer equipment	34.03	4.67	-	38.70	23.38	4.87	-	28.25	10.65	10.45
Other equipment	62.94	8.06	-	71.00	21.93	6.34	-	28.27	41.01	42.73
Furniture & fixtures	21.68	3.52	-	25.20	6.42	2.25	-	8.67	15.26	16.52
Vehicle equipment	6.23	1.72	-	7.95	1.29	0.85	-	2.14	4.94	5.81
Total	2,363.86	432.73	-	2,796.59	298.88	142.43	-	441.31	2,064.98	2,355.28

Title deeds of Immovable Properties not held in name of the Company:

Descriptions	As at 31 March 2023	As at 31 March 2022
Title deeds held in the name of	Aether Industries Limited	
Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	N.A.	

Refer note no. 20 and 22 for information on property, plant and equipment pledged as securities by the company

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4 Capital work-in-progress

Particulars	As at 01 April 2022	Additions	Capitalised during the period	As at 31 March 2023
Capital work-in-progress	577.42	3,915.11	(4,120.86)	371.66
Total	577.42	3,915.11	(4,120.86)	371.66

Particulars	As at 01 April 2021	Additions	Capitalised during the period	As at 31 March 2022
Capital work-in-progress	1.98	1,010.13	(434.69)	577.42
Total	1.98	1,010.13	(434.69)	577.42

Additional disclosures as per Schedule -III requirement:

Amount in CWIP for a period of	Projects in Progress		Projects temporarily suspended	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Less than 1 Year	182.85	575.44	-	-
1-2 Years	188.81	1.98	-	-
2-3 Years	-	-	-	-
More than 3 Years	-	-	-	-
Total	371.66	577.42	-	-

5 Right-of-use assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2022	Additions	Disposals during the period	As at 31 March 2023	As at 01 April 2022	Charge for the period	Disposals during the period	As at 31 March 2023	As at 01 April 2022	As at 31 March 2023
Leasehold land	162.34	823.66	-	986.00	6.68	4.78	-	11.46	155.66	974.54
Properties (Land & Building)	74.34	109.19	-	183.53	18.79	16.72	-	35.51	55.55	148.02
Total Assets	236.68	932.85	-	1,169.53	25.47	21.50	-	46.97	211.21	1,122.55

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2021	Additions	Disposals during the period	As at 31 March 2022	As at 01 April 2021	Charge for the period	Disposals during the period	As at 31 March 2022	As at 01 April 2021	As at 31 March 2022
Leasehold land	68.19	94.15	-	162.34	5.17	1.51	-	6.68	63.02	155.66
Properties (Land & Building)	38.47	35.87	-	74.34	9.75	9.04	-	18.79	28.72	55.55
Total Assets	106.66	130.02	-	236.68	14.92	10.55	-	25.47	91.74	211.21

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6 **Other intangibles assets**

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2022	Additions	Deletions during the period	As at 31 March 2023	As at 01 April 2022	Charge for the period	Deletions during the period	As at 31 March 2023	As at 01 April 2022	As at 31 March 2023
Computer Software	11.94	2.77	-	14.71	7.72	1.98	-	9.70	4.21	5.01
Others	1.64	0.75	-	2.40	1.36	0.21	-	1.58	0.28	0.82
Total	13.58	3.53	-	17.11	9.09	2.19	-	11.27	4.49	5.83

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2021	Additions	Deletions during the period	As at 31 March 2022	As at 01 April 2021	Charge for the period	Deletions during the period	As at 31 March 2022	As at 01 April 2021	As at 31 March 2022
Computer Software	11.35	0.59	-	11.94	5.89	1.83	-	7.72	5.46	4.21
Others	1.45	0.19	-	1.64	1.30	0.06	-	1.36	0.15	0.28
Total	12.80	0.78	-	13.58	7.19	1.90	-	9.09	5.61	4.49

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		As at 31 March 2023	As at 31 March 2022
7	**Investments**		
	Unquoted equity shares		
	9 (31 March 2022: 9) equity shares of Sachin Industrial Co. Op. Society Limited, of Rs.500 each fully paid-up	0.00	0.00
	1,16,851 (31 March 2022: 1,16,851) equity shares of Globe Enviro Care Limited, of Rs.10 each fully paid-up	2.09	2.09
	50,000 (31 March 2022: 0) equity shares of Aether Speciality Chemicals Limited, of Rs.10 each fully paid-up	0.50	-
		2.60	**2.09**
	Aggregate value of unquoted investments	2.60	2.09
	Aggregate amount of impairment in value of investments	-	-
8	**Others financial assets**		
	(Unsecured, considered good)		
	Security deposits	27.01	23.20
		27.01	**23.20**
9	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital advances	184.68	426.64
		184.68	**426.64**
10	**Inventories**		
	Raw material	607.88	450.01
	Work in progress	1,062.81	426.68
	Finished goods	536.19	549.57
	Stores and spares	46.28	52.77
	Others :		
	Packing materials	14.70	15.41
	Research and development materials	219.80	133.01
		2,487.66	**1,627.44**

Notes:

(1) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.

(2) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(3) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.

(4) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

(5) Inventories are pledge / hypothecated as primary security with the bankers (lenders) against the Working Capital Facilities availed by the Company.

		As at 31 March 2023	As at 31 March 2022
11	**Investments**		
	Investment in mutual funds - Quoted		
	2839.999 (31 March 2022: 2839.999) SBI Liquid Fund Direct Growth	10.01	0.14
	0 (31 March 2022: 50,731,956) Nippon India Money Market Fund	-	169.97
		10.01	**170.11**
	(a) Aggregate book value of quoted investments	10.01	170.11
	(b) Aggregate market value of quoted investments	10.01	170.11
12	**Trade receivables**		
	Trade Receivables considered good - Secured	48.46	116.19
	Trade Receivables considered good - Unsecured	2,541.35	1,518.62
	Trade Receivables which have significant increase in credit risk	-	-
	Trade Receivables - credit impaired	-	-
		2,589.82	1,634.80
	Less: Allowance for doubtful receivables	-	-
	Total trade receivables	2,589.82	1,634.80
	The above amount includes :		
	Receivable from related parties	-	-
	Receivable from other than related parties	2,589.82	1,634.80
	Total	2,589.82	1,634.80

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The average credit period on sales of goods is 90 days. Payment terms vary from Advance Payments, LC for 60 to 90 Days, DA for 60 to 90 Days and open credits for 60 to 90 Days. No interest is charged on outstanding trade receivables.

As at 31 March 2023

Particulars	Outstanding for following periods from due date of Payment					
	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables - considered good	2,516.04	67.08	6.69		-	2,589.82
(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	-	-	-	-	-	-
	2,516.04	67.08	6.69	-	-	2,589.82

As at 31 March 2022

Particulars	Outstanding for following periods from due date of Payment					
	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables - considered good	1,628.99	3.61	2.20	-	-	1,634.80
(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	-	-	-	-	-	-
	1,628.99	3.61	2.20	-	-	1,634.80

13 Cash and cash equivalents	As at 31 March 2023	As at 31 March 2022
Cash in hand	1.07	0.98
Balances with banks		
Current accounts	1.61	0.01
EEFC accounts	148.30	32.40
Cash Credit accounts	557.66	-
	708.64	33.39

14 Bank balances other than cash and cash equivalents		
Other bank balances		
Margin Money - Fixed Deposits	23.81	25.05
Others - Fixed Deposits	290.00	121.72
(with maturity of more than 3 months but less than 12 months)		
	313.81	146.77

15 Loans		
Loans to employees*	11.38	8.36
	11.38	8.36
Breakup of security details		
Loans, considered good - secured	-	-
Loans, considered good - unsecured	11.38	8.36
Loans, considered doubtful / credit impaired	-	-
Total	11.38	8.36
Less: Loss allowance	-	-
Total loans receivables	11.38	8.36

*Loan to employees do not include any loan given to promoters, directors, KMPs and any other related parties.

16 Other financial assets		
Interest receivable (from fixed deposits with banks)	0.36	0.36
Gratuity asset (Refer note 45 for further disclosures)	2.91	2.34
	3.27	2.70

17 Other current assets		
Advances recoverable in cash	89.96	231.72
Balances with government authorities	495.08	172.43
Prepaid expenses	31.98	18.79
Other advances	-	51.39
Solar benefit	9.67	-
	626.69	474.34

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18 Share capital

Particulars	124,510,721.00	As at 31 March 2023	As at 31 March 2022
Authorised :			
14,00,00,000 (31 March 2022: 14,00,00,000) equity shares of Rs.10 each.		1,400.00	1,400.00
TOTAL		1,400.00	1,400.00
Issued and subscribed and paid up:			
Equity share capital			
12,45,10,721 (31 March 2022: 11,26,91,397) equity shares of Rs.10 each fully paid-up		1,245.11	1,126.91
TOTAL		1,245.11	1,126.91

Reconciliation of number of shares outstanding at the beginning and end of the year/period :

Equity share :	As at 31 March 2023	As at 31 March 2022
	Number of Shares	Number of Shares
Outstanding at the beginning of the year/period	112,691,397	10,098,567
Add: Issued during the period	11,819,324	102,592,830
Outstanding at the end of the year/period	124,510,721	112,691,397

* Number of shares is presented as absolute number.

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity shares

Equity shares

As to dividend	The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year.
As to repayment of capital	In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
As to voting	The Company has one class of shares referred to as Equity Shares having par value of Rs. 10/-. Each holder of the equity share is entitled to one vote per share.

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	Number of Shares %	Number of Shares	Number of Shares %
Purnima Ashwin Desai	32,057,403	25.75%	34,877,403	30.95%
Ashwin Jayantilal Desai	6,720,417	5.40%	6,720,417	5.96%
Rohan Ashwin Desai	2,221,681	1.78%	2,221,681	1.97%
Aman Ashwin Desai	110,000	0.09%	110,000	0.10%
AJD Family Trust	13,560,206	10.89%	13,560,206	12.03%
PAD Family Trust	13,560,206	10.89%	13,560,206	12.03%
RAD Family Trust	20,017,162	16.08%	20,017,162	17.76%
AAD Business Trust	20,017,162	16.08%	20,017,162	17.76%

Promotors Shareholding in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at 31 March 2023		As at 31 March 2022	
	Number of Shares	Number of Shares %	Number of Shares	Number of Shares %
Purnima Ashwin Desai	32,057,403	25.75%	34,877,403	30.95%
Ashwin Jayantilal Desai	6,720,417	5.40%	6,720,417	5.96%
Rohan Ashwin Desai	2,221,681	1.78%	2,221,681	1.97%
Aman Ashwin Desai	110,000	0.09%	110,000	0.10%
AJD Family Trust	13,560,206	10.89%	13,560,206	12.03%
PAD Family Trust	13,560,206	10.89%	13,560,206	12.03%
RAD Family Trust	20,017,162	16.08%	20,017,162	17.76%
AAD Business Trust	20,017,162	16.08%	20,017,162	17.76%

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19 Other equity

	-	-
Reserves and surplus		
A. Retained earnings	3,022.88	1,720.29
B. Securities premium	8,162.55	1,015.73
C. Employee Share Option Reserve	15.55	5.96
	11,200.98	2,741.97
	-	-
A. Retained earnings		
Opening balance	1,720.29	1,407.72
Profit for the period / year	1,304.17	1,089.29
Less: Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)	-	(775.24)
Changes in the Lease Liabilities	(0.33)	
Other comprehensive (loss)/ income		
-Remeasurements of defined benefit liability / (asset) (net of tax)	(1.25)	(1.48)
Closing balance	3,022.88	1,720.29
B. Securities Premium		
As at beginning and end of the period/year	1,015.73	234.62
Less: Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)	-	(234.62)
Add: Preferential Allotment of Shares [202492 (FY 2021-22 1607160 Equity Shares) Equity Shares of Rs. 10 each at a Premium of Rs. 623 per share]	1,279.75	1,015.73
Allotment of Shares in IPO (9766355 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share)	6,172.34	
Shares based payment options outstnading (ESOPs exercised)	5.92	-
IPO Expenses	(319.91)	
Allotment of Shares under exercise of ESOPs (28048 Equity Shares of Rs. 10 each at a Premium of Rs. 311 per share)	8.72	
Closing balance	8,162.55	1,015.73
C. Employee Share Option Reserve		
Opening balance	5.96	-
Add: Additions during the year	15.51	5.96
Less: Transferred to Securities Premium on exercise of stock options	(5.92)	-
Closing balance	15.55	5.96
	11,200.98	2,741.97

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20 Borrowings	As at 31 March 2023	As at 31 March 2022
Unsecured – measured at fair value through profit or loss account (FVTPL)		
Secured		
Rupee Term Loans from Banks		
HDFC Bank Term Loan - Old	-	388.19
HDFC Bank Term Loan - New	-	472.79
HDFC Bank Term Loan - ECGLS	-	182.29
SBI Term Loan	-	137.05
SBI Term Loan New	-	36.74
Rupee Vehicle Loans from Banks		
HDFC Bank Car Loan	-	1.06
Others (Unsecured)		
From related parties (Directors & Promoters)	-	-
	-	1,218.13

(1) Terms of Repayment, Nature of Security in case of Secured Loans:

Nature of Security	Terms of Repayment	Principal o/s. as at 31 March 2023	Principal o/s. as at 31 March 2022
1. HDFC Car Loan	From April 05, 2019 up to March 05, 2024 (60 instalments)	1.06	2.02
Hypothecation of Car			
2. SBI Term Loan	28 Quarterly Instalments of	-	228.45
#Secured by way of Hypothecation of movable and immovable assets of the Company as first pari passu charge	Rs. 22.85 million each		
#Personal Guarantees of all Promoters			
#Personal Properties of Promoters as Collateral Security			
# Rate of Interest as on March 31, 2023: NA			
3. SBI Term Loan New	25 Quarterly Instalments of	-	55.14
#Same as per SBI Term Loan	Rs. 4.60 million each		
# Rate of Interest as on March 31, 2023: NA			
4. HDFC Bank Term Loan	20 Quarterly Instalments of	-	508.19
#Same as per SBI Term Loan	Rs. 30.00 million each		
# Rate of Interest as on March 31, 2023: NA			
5. HDFC Bank Term Loan - ECGLS	48 Quarterly Instalments of	-	244.79
# Rate of Interest as on March 31, 2023: NA	Rs. 5.21 million each		
6. HDFC Bank Term Loan - New	20 Quarterly Instalments of	-	472.79
# Rate of Interest as on March 31, 2023: NA	Rs. 23.64 million each		

(2) Borrowings mentioned in the above note 20, along with note 22, amounting to Rs. 2,699.52 million (pertaining to FY '22) were paid off subsequent to the Balance Sheet date out of the IPO Proceeds

(3) The company has used the loans towards the specific purposes for which it had borrowed the funds from the bank and there is no deviation in that regards.

(4) The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

21 Lease liabilities	As at 31 March 2023	As at 31 March 2022
Lease liabilities	145.32	50.69
	145.32	50.69

22 Borrowings		
Working capital loan (Refer note 1)		
Secured	-	890.16
Current maturities of long term debt		
Secured		
Term loans from banks	-	292.30
Vehicle loans from banks	1.06	0.96
Unsecured		
Working Capital Limits with HDFC Bank	-	300.00
From related parties (Directors & Promoters)	-	149.20
	1.06	1,632.62

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(1) The primary security for working capital loan is outstanding receivables and inventories. The collateral security provided is residential property of directors cum promotors located at 40, Jaldarshan Society, Umra, Surat of along with factory premise at 8203, Road No-8, GIDC, Sachin, Surat - 394 230 and premises at 8202/1, Road No-8, GIDC, Sachin, Surat - 394230. There is also charge created against two (40, Jaldarshan and 8203, GIDC) of these properties at ROC with SBI and HDFC banks. These collaterals have been removed after the payments of all Term Loans was done by use of IPO Proceeds.

(2) For details of terms of repayment and security for current maturities, refer note of non-current borrowings.

(3) The company has used the loans towards the specific purposes for which it had borrowed the funds from the bank and there is no deviation in that regards.

(4) The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

(5) Break-up of the Working capital loan:

Particulars		
Working Capital Limits with SBI	-	142.64
Working Capital Limits with HDFC Bank	-	742.71
Working Capital Limits with HDFC Bank	-	-
Total outstanding	-	885.35
Foreign exchange valuation impact on PCFC loans	-	4.81
Foreign exchange valuation impact on Bill Discountings	-	-
Net outstanding	-	890.16

(6) Borrowings mentioned in the above note 20, along with note 22, amounting to Rs. 2,699.52 million (pertaining to FY '22) were paid off subsequent to the Balance Sheet date out of the IPO Proceeds

23 Lease liabilities

Lease liabilities	10.76	5.85
	10.76	5.85

24 Trade payables

Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 39)	191.09	211.19
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	624.09	487.35
	815.18	698.54

Notes :
(1)Refer note 40 - Related Party for related party disclosure
(2) Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 90 days.

As at 31 March 2023

Particulars	Unbilled Dues	Outstanding for following periods Particulars from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	191.09	-	-	-	191.09
(ii) Others	-	623.43	0.57	0.09	-	624.09
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	814.52	0.57	0.09	-	815.18

As at 31 March 2022

Particulars	Unbilled Dues	Outstanding for following periods Particulars from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	211.19	-	-	-	211.19
(ii) Others	-	486.39	0.89	0.07	-	487.35
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	697.58	0.89	0.07	-	698.54

25 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Employee related payable		
Salary and other benefits	23.72	19.41
Bonus payable	12.45	9.94
Other payables	1.52	1.65
Bills payable	0.01	0.22
Creditor for expenses	59.23	32.25
	96.92	63.46

26 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Advance received from customers	2.05	4.28
Statutory dues payables	14.03	10.39
	16.08	14.67

27 Provisions

Gratuity (Refer note 45 for further disclosures)	-	-
	-	-

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(All amounts in Indian Rupees millions, unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
28 Revenue from operations		
Sale of products		
Manufactured goods		
Local sales	1,952.23	2,087.12
Export sales	2,169.84	2,305.27
Deemed exports	1,571.29	1,031.36
Export sales - CRAMS	448.11	289.53
Domestic sales - CRAMS	63.47	4.73
Deemed exports - CRAMS	3.38	-
Sale of services		
Export services	302.43	184.73
Domestic services	-	-
Total revenue from operations	6,510.74	5,902.73
Less : Rebate and discount		(2.26)
	6,510.74	5,900.47

Refer note no. 46 Revenue for further disclosures

	For the year ended 31 March 2023	For the year ended 31 March 2022
29 Other income		
Interest		
Interest on fixed deposits	74.23	4.64
Interest accrued on loans to employees	1.11	1.29
Interest on deposits	0.09	0.03
Others		
Foreign exchange fluctuation	36.65	18.37
Duty drawback - exports	8.84	5.14
MEIS duty credit	1.31	21.65
SEIS Duty Credit	23.22	-
Income from mutual funds	8.34	3.22
Income accrued from mutual funds	0.20	0.00
Income From Bonds NCD CP	0.00	-
Interest subsidy (term loan)	9.96	15.00
Income Tax Refund	1.18	-
Misc. income	0.50	0.38
	165.65	69.74

Subsidies from the Government:

Subsidies from the Government are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the subsidies will be received or when actually will be received by the Company. Subsidies from the Government are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the subsidies are intended to compensate.

Subsidies from the Government that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they are received.

	For the year ended 31 March 2023	For the year ended 31 March 2022
30 Cost of materials consumed		
Raw Materials		
Opening	450.01	392.82
Add: Purchase	3,728.30	3,407.18
Add: Custom duty and clearing forwarding charges	75.85	71.80
Less: Discount on Purchase of Raw Material	(5.98)	(29.36)
	4,248.18	3,842.44
Closing	607.88	450.01
	3,640.30	3,392.43
Packing Materials		
Opening	15.41	10.80
Purchase	63.46	63.48
	78.87	74.28
Closing	14.70	15.41
	64.17	58.87
Stores & Spares		
Opening	52.77	48.54
Add: Purchase	141.25	126.01
Less: Discount on Purchase of Others	(0.96)	-
	193.06	174.55
Closing	46.28	52.77
	146.78	121.78
Other Material		
Opening	133.01	123.75
Purchase	31.69	21.39
	164.70	145.14
Closing	219.80	133.01
	(55.10)	12.13
	3,796.14	3,585.21

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(All amounts in Indian Rupees millions, unless otherwise stated)

31 Changes in inventories of finished goods and work-in-progress	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening inventories		
Finished goods	549.57	115.06
Work-in-progress	426.68	156.31
Total (A)	976.25	271.37
Closing inventories		
Finished goods	536.19	549.57
Work-in-progress	1,062.81	426.68
Total (B)	1,599.00	976.25
Total (A-B)	(622.76)	(704.88)

32 Employee benefits expense		
Salaries, wages and bonus	251.89	212.52
Contribution to gratuity	6.67	5.08
Contribution to provident fund	12.72	10.30
Contribution to provident fund - Admin Charges	0.55	0.46
Staff welfare expenses	22.45	23.73
Leave encashment expenses	5.22	5.14
Employee medical insurance expenses	2.68	2.37
ESOPs (Employee Benefit)	15.51	5.96
Other employee related expenses	26.88	4.89
	344.57	270.44

33 Finance costs		
Interest on term loan	11.18	76.13
Interest on term loan - ECGLS	3.06	16.05
Interest on cash credit	6.92	6.16
Interest on PCFC	5.08	11.03
Interest on bill discounting	3.76	4.79
Interest on SLC	0.11	0.32
Interest on car loan	0.15	0.24
Interest on unsecured loans	-	-
Bank charges	8.57	11.83
Interest on financial liabilities at amortized cost	12.09	4.67
	50.93	131.21

34 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 3)	208.76	142.43
Amortisation of right-of-use asset (refer note 5)	21.50	10.55
Amortisation of intangible assets (refer note 6)	2.19	1.90
	232.45	154.87

35 Other expenses	For the year ended 31 March 2023	For the year ended 31 March 2022
Manufacturing service cost expenses		
Power and fuel	364.18	303.82
Water charges	8.31	7.85
Other manufacturing costs	197.85	224.34
Administrative and general expenses		
Telephone and postage	2.79	2.34
Printing and stationery	1.53	1.20
Rent	6.88	1.23
Rates and taxes	6.77	5.93
Payment to statutory auditors (Refer note below)	0.75	0.60
Directors' sitting fees	3.04	2.52
Managerial remuneration	34.74	58.50
Repairs and maintenance expenses	31.49	38.86
Electricity expenses	191.45	214.84
Travelling expenses	10.56	2.63
Legal and professional expenses	64.38	28.78
Insurance expenses	31.97	21.32
Vehicle running expenses	4.66	5.94
Other administrative and general expenses	22.62	16.48
Selling and distribution expenses	113.08	108.47
Research and development expenses	3.18	1.33
Other expenses	30.04	21.66
	1,130.27	1,068.63

(a) Payment to auditors		
Statutory audit fee	0.75	0.60
	0.75	0.60

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(All amounts in Indian Rupees millions, unless otherwise stated)

36 Taxes

(a) Statement of profit or loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax:		
Current income tax charge	311.22	338.73
Deferred tax	128.97	36.72
Income tax expense reported in the statement of profit or loss	440.19	375.44

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax		
Remeasurements gains and losses on post employment benefits	(0.42)	(0.50)
Income tax recognised in OCI	(0.42)	(0.50)

(c) Balance sheet

Particulars	As at 31 March 2023	As at 31 March 2022
Non- current tax assets	-	-
Current tax assets	-	-
Total tax assets	-	-

Current tax liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax (net of advance tax)	-	6.61
Total current tax liabilities	-	6.61

(d) Deferred tax liabilities / (assets)

Particulars	As at 31 March 2023	As at 31 March 2022
Excess of depreciation/amortisation on property plant and equipment under income tax act	269.91	139.50
Fair valuation of Mutual funds	(0.05)	0.00
Fair valuation of Security deposits	(0.00)	0.01
Amortization of processing fees on loan	-	(0.18)
Provision for employee benefits	0.42	(0.78)
Leases	(2.51)	0.25
Net deferred tax liability/(asset)	267.76	138.79

(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended 31 March 2023	For the year ended 31 March 2022
Accounting profit before tax	1,744.79	1,464.73
Tax rate	25.17%	25.17%
Tax as per IT Act on above	439.13	368.64
Tax expenses (P&L)		
(i) Current tax	311.22	338.73
(ii) Deferred tax	128.97	36.72
(iii) Taxation in respect of earlier years		
	440.19	375.44
Tax expenses (OCI)	(0.42)	(0.50)
Difference	(0.65)	(6.30)
Tax reconciliation		
Adjustments:		
Effect of permanent adjustments	-	-
(i) Impact as a result of Tax Rate Change	-	-
(ii) Impact as a result of Capital Gains	(0.05)	0.15
(iii) Others	1.12	6.15
	0.42	-

(All amounts in Indian Rupees millions, unless otherwise stated)

(f) Movement in temporary differences:

	1 April 2022	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	31 March 2023
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	139.50	130.41	-	269.91
Fair valuation of Mutual funds	0.00	(0.05)	-	(0.05)
Fair valuation of Security deposits	0.01	(0.01)	-	(0.00)
Amortization of processing fees on loan	(0.18)	0.18		-
Provision for employee benefits	(0.78)	1.62	(0.42)	0.42
Leases	0.25	(2.76)	-	(2.51)
Net deferred tax liability/(asset)	138.79	129.39	(0.42)	267.76

	1 April 2021	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	31 March 2022
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	102.58	36.92	-	139.50
Fair valuation of Mutual funds	(0.20)	0.20	-	0.00
Fair valuation of Security deposits	(0.01)	0.02	-	0.01
Amortization of processing fees on loan	(0.18)	(0.00)	-	(0.18)
Provision for employee benefits	0.45	(0.73)	(0.50)	(0.78)
Leases	(0.57)	0.82	-	0.25
Net deferred tax liability/(asset)	102.07	37.22	(0.50)	138.79

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(All amounts in Indian Rupees millions, unless otherwise stated)

37 Earnings Per Share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profits attributable to equity shareholders		
Profit for basic earning per share of Rs. 10 each		
Profit for the period / year (in Rs.)	1,304.17	1,089.29
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the period / year	124,510,721	112,691,397
Basic EPS (Rs.)	10.47	9.67
Diluted Earnings Per Share		
Profit for diluted earning per share of Rs. 10 each		
Profit for the period / year (in Rs.)	1,304.17	1,089.29
Weighted average number of equity shares outstanding during the period / year	124,510,721	112,691,397
Diluted EPS (Rs.)	10.47	9.67

Weighted average number of equity shares for Basic Earnings Per Share	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning and at the end of the period	112,691,397	10,098,567
Issued during the period	11,819,324	102,592,830
Weighted average number of equity shares outstanding during the period / year	**124,510,721**	**112,691,397**

Weighted average number of equity shares for Diluted Earnings Per Share	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning and at the end of the period	112,691,397	10,098,567
Issued during the period	11,819,324	102,592,830
Weighted average number of equity shares outstanding during the period / year	**124,510,721**	**112,691,397**

38 Contingent liabilities, contingent assets and commitments :

Contingent liabilities

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Bank Guarantees Issued for:			
Customs	INR	8.89	8.89
Gujarat Gas Ltd.	INR	20.71	15.35
DGVCL	INR	47.40	23.70
Total Margin for above items	INR	14.37	11.45
Raw Material FLC	US$	1.10	2.94
Total Margin for above items	INR	8.94	13.10
Income Tax Demand:			
AY 2017-18 (PY: 2016-17)	INR	0.15	0.22
AY 2018-19 (PY: 2017-18)	INR	0.94	0.93
AY 2020-21 (PY: 2019-20)	INR	1.00	19.82

All the Contingent Liabilities, except Income Tax Demands, listed above, which are outstanding as on current Balance Sheet date are not 100% secured through cash margins placed with the banks. Company is enjoying Bank Guarantee and LC Limit facilities from the banks, which require 15% Margin Money on Bank Guarantees and 15% Margin Money on LC Facilities.

The Income Tax Demands are under appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

39 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid to any supplier as at the end of the period/year		
Trade payables	191.09	211.19
Capital creditors	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the period/year		
Trade payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(All amounts in Indian Rupees millions, unless otherwise stated)

40 Related Party Disclosures

(a) List of Related Parties and description of relationship:

Subsidiary companies
Aether Speciality Chemicals Limited

Entities where Directors are interested :
Ashwin Jayantilal Desai (Managing Director)

Aether Foundation
Aether Speciality Chemicals Limited
Globe Enviro Care Limited

Purnima Ashwin Desai (Whole Time Director)

Aether Foundation
Aether Speciality Chemicals Limited

Rohan Ashwin Desai (Whole Time Director)
Aether Foundation
Aether Speciality Chemicals Limited

Aman Ashwin Desai (Whole Time Director)
Aether Speciality Chemicals Limited

Kamalvijay Ramchandra Tulsian (Director)
J R Dyeing and Printing Mills Ltd.
Gujarat Enviro-Protection and Infrastructure Pvt. Ltd.
Navbharat Silk Mills Pvt. Ltd.
Pandesara Infrastructure Ltd
Surat Mega Textiles Processing Park Association

Jeevanlal Nagori (Director)
Tonira Pharma Ltd.
Avik Pharmaceuticals Ltd.
Ajanma Holdings Pvt Ltd.
IPCA Traditional Remedies Pvt. Ltd.
Transrail Lighting Ltd.
Kajorimal Basantilal Nagori Charitable Trust

Ishita Surendra Manjrekar (Director)
Sunanda Speciality Coatings Pvt. Ltd.
Sunworks Chemicals Pvt. Ltd.
Sunanda Global Outreach Foundation
Sunanda Smile Foundation

Key Management Personnel (KMP)

Name	Designation
Ashwin Jayantilal Desai	Managing Director
Purnima Ashwin Desai	Whole Time Director
Rohan Ashwin Desai	Whole Time Director
Aman Ashwin Desai	Whole Time Director
Faiz Arif Nagariya	Chief Financial Officer
Chitrarth Rajan Parghi	Company Secretary & Compliance Officer

Relative of Key Management Personnel

Name	Designation
Payal Rohan Desai	Spouse of Rohan Ashwin Desai
Kamalvijay Ramchandra HUF	HUF of Director - Kamalvijay Ramchandra Tulsian
Pramilaben Kamalvijay Tulsian	Spouse of Kamalvijay Tulsian

Other Directors on Board

Name	Designation
Amol Arvindrao Kulkarni	Independent Director
Arun Kanodiya	Independent Director
Ishita Manjrekar	Non-Executive Director
Jeevanlal Nagori	Independent Director
Jitendra Popatlal Vakharia	Independent Director
Kamalvijay Ramchandra Tulsian	Chairperson Non-Executive Director
Leja Satish Hattiangadi	Independent Director
Rajkumar Mangilal Borana	Independent Director

(b) Related party transactions:

Sr. no	Nature of Transaction	For the year ended 31 March 2023				For the year ended 31 March 2022			
		Promoters and their relatives	Companies Controlled by Directors / Relatives	Other Directors on Board	Total	Promoters and their relatives	Companies Controlled by Directors / Relatives	Other Directors on Board	Total
1	Rent Paid	6.00	-	-	6.00	9.60	-	-	9.60
2	Interest Paid	-	-	-	-	-	-	-	-
3	Loan accepted	(149.20)	-	-	(149.20)	23.50	-	-	23.50
4	Managerial Remuneration	67.25	-	-	67.25	58.50	-	-	58.50
5	Purchase of Consumables	-	0.06	-	0.06	-	0.08	-	0.08
6	Purchase of Material for Building & Structure	-	14.81	-	14.81	-	9.88	-	9.88
7	ETP Expenses	-	47.23	-	47.23	-	49.01	-	49.01
8	CSR Activities	-	2.10	-	2.10	-	7.85	-	7.85
9	Salary	5.41	-	-	5.41	10.52	-	-	10.52
10	Sitting Fee	-	-	3.04	3.04	-	-	2.52	2.52
11	Investment	-	0.50	-	0.50	-	-	-	-
12	Cheritable Trust	-	-	0.60	0.60	-	-	-	-
		(70.54)	64.70	3.64	(2.21)	102.12	66.81	2.52	171.45

(c) Balances outstanding at the end of the period / year:-

Particulars	As at 31 March 2023	As at 31 March 2022
Rent payable	0.58	1.27
Interest payable	-	-
Managerial remuneration payable	2.91	2.36
Unsecured loans received	-	149.20
Salary Payable	0.25	0.31

During the above periods, the Company did not enter into any material transaction (as defined in the Company's policy on related party transactions) with related parties. All other transactions of the company with related parties were in the ordinary course of business and at an arm's length.

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

Particulars	As at 31 March 2023	As at 31 March 2022
Rent Paid		
Purnima Desai	-	-
Payal Desai	1.20	1.80
Ashwin Desai	-	1.80
Rohan Desai	-	1.20
Kamalvijay Ramchandra HUF	2.40	2.40
Pramilaben Kamalvijay Tulsian	2.40	2.40
Total	6.00	9.60
Managerial Remuneration		
Ashwin Desai	13.65	13.00
Purnima Desai	13.65	13.00
Rohan Desai	19.47	13.00
Aman Desai	20.48	19.50
Total	67.25	58.50
Transactions with Companies Controlled by Directors / Relatives		
Sunanda Speciality Coatings Pvt. Ltd. (Consumables)	0.06	0.08
Sunanda Speciality Coatings Pvt. Ltd. (Material for Building & Structure)	14.81	9.88
Globe Enviro Care Limited (ETP Expenses)	47.23	49.01
Aether Foundation (CSR Expenses)	2.10	7.85
KBN Cheritable Trust (CSR Expenses)	0.60	-
Total	64.80	66.81
Loans Accepted		
Ashwin Jayantilal Desai	(35.02)	14.50
Purnima Ashwin Desai	(11.11)	-
Rohan Ashwin Desai	(59.18)	3.90
Aman Ashwin Desai	(12.91)	3.50
Aman Ashwin Desai (HUF)	-	(26.29)
Payal Rohan Desai	(4.70)	1.60
Ishita Manjrekar	(26.29)	26.29
Total	(149.20)	23.50
Salary Paid		
Payal Rohan Desai	-	6.50
Faiz Arif Nagariya	4.63	3.45
Chitrarth Rajan Parghi	0.78	0.57
Total	5.41	10.52
Sitting Fee to Director		
Amol Arvindrao Kulkarni	0.40	0.20
Arun Kanodiya	0.60	0.65
Ishita Manjrekar	0.32	0.38
Jeevanlal Nagori	0.43	0.27
Jitendra Popatlal Vakharia	0.25	0.15
Kamalvijay Ramchandra Tulsian	0.53	0.48
Leja Satish Hattiangadi	0.32	0.25
Rajkumar Mangilal Borana	0.22	0.15
Total	3.04	2.52
Investment		
Aether Speciality Chemicals Limited	0.50	-
Total	0.50	-

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41 Section 35(2AB) of Income Tax Act, 1961 Disclosure

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary, Wages & Bonus		
Salary Expense	54.53	34.04
Overtime Wages	1.60	1.57
Employer's Contribution to PF	1.05	1.78
Employee Medical Insurance Expenses		
Employer's Contribution to ESI	0.21	0.49
Leave Encashment Expenses		
Leave Encashment Expenses	1.00	0.76
Other Employee Related Expenses		
Bonus	6.04	4.86
Managerial Remuneration		
Salaries to Directors	5.99	6.00
Bonus to Directors	0.50	0.68
Consumption of Material		
R&D Material	24.59	12.54
Power & Fuel		
Diesel Expenses	18.44	10.09
Repairs & Maintenance		
Plant & Machinery	1.69	2.07
Buildings	0.57	1.34
Others	0.47	1.15
Electricity Expenses		
Electricity Expenses	29.89	18.82
Vehicle Running Expenses		
Petrol & Other Expenses	0.68	0.49
Vehicle Repairing Expenses	0.21	0.16
Vehicle Hiring Charges	0.60	2.10
Rent, Rates & Taxes		
Rent	7.42	4.80
Other Administrative & General Expenses		
Security Expenses	2.29	1.51
Total Revenue Expenditure (A)	157.75	105.27
Capital Expenditure		
Buildings	50.00	29.87
Computers	4.64	1.19
Factory Equipment (Electric)	33.64	7.19
Furniture & Fixtures	8.35	0.08
Other Equipment (Lab)	44.87	3.97
Office Equipment	9.98	1.05
Plant & Machinery	188.75	88.16
Computer Software	0.07	0.22
CWIP	3.34	155.61
Total Capital Expenditure (B)	343.64	287.34
Total Expenditure (A) + (B)	501.39	392.60

Approval for registration of in- house R&D unit by Department of Science and Industrial Research (DSIR) was received vide letter dated 24th November 2020. As the above note is for the discloser of requirements of Section 35(2AB) of the Income Tax Act, 1961, we have not considered Depreciation here.

(All amounts in Indian Rupees millions, unless otherwise stated)

42 Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, 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 Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:
- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company'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 associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

(i) The company has not made any provision on expected credit loss on trade receivables and other financials assets, based on the management estimates.

(ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department within the Finance Department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from the operations.

Particulars	As at 31 March 2023	As at 31 March 2022
Total current assets (A)	6,751.28	4,097.90
Total current liabilities (B)	940.00	2,421.75
Working capital (A-B)	**5,811.28**	**1,676.15**
Current Ratio:	**7.18**	**1.69**

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at 31 March 2023			
		Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	1.06	1.06	-	1.06
Trade payables	815.18	814.52	0.66	815.18
Lease liabilities	156.07	10.76	145.32	156.07
Other liabilities	96.92	96.92	-	96.92

	As at 31 March 2022			
		Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,850.75	1,632.62	1,218.13	2,850.75
Trade payables	698.54	697.58	0.96	698.54
Lease liabilities	56.54	5.85	50.69	56.54
Other liabilities	63.46	63.46	-	63.46

(c) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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BIRJU S. SHAH & ASSOCIATES M. No. 107086 SURAT CHARTERED ACCOUNTANTS

(All amounts in Indian Rupees millions, unless otherwise stated)

(1) Foreign currency risk :

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.

Following is outstanding foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at 31 March 2023		As at 31 March 2022	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade receivables	18.54	1,523.75	8.88	672.71
Balance with banks - in EEFC	1.80	148.30	0.43	32.40
	20.34	1,672.05	9.30	705.10

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(ii) Financial liabilities

Financial liabilities	As at 31 March 2023		As at 31 March 2022	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade payable	3.09	254.16	0.53	40.16
	3.09	254.16	0.53	40.16

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(iii) Currency wise net exposure (Financial assets - Financial liabilities)

Currency wise net exposure (assets - liabilities)	As at 31 March 2023		As at 31 March 2022	
Particulars	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD	17.25	1,417.90	8.77	664.94
Total	17.25	1,417.90	8.77	664.94

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(iv) Sensitivity analysis

Particulars	Impact on profit/equity (1%	
	31 March 2023	31 March 2022
USD	14.18	6.65
Total	14.18	6.65

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

Particulars	Impact on profit/equity (1% weakening)	
	31 March 2023	31 March 2022
USD	(14.18)	(6.65)
Total	(14.18)	(6.65)

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(2) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selection appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long term and short term) to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings	-	2,399.52
Fixed rate borrowings	1.06	151.22
Total borrowings	1.06	2,550.76

Sensitivity analysis

Particulars	Impact on profit before tax /pre- tax	
	As at 31 March 2023	As at 31 March 2022
Increase by 50 basis points	-	(12.00)
Decrease by 50 basis points	-	12.00

43 Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated

Particulars	As at 31 March 2023	As at 31 March 2022
Total liabilities	1,353.08	3,829.37
Less: cash and cash equivalents and bank balances	1,022.45	180.16
Net debt	330.62	3,649.21
Total equity	12,446.09	3,868.89
Debt-equity ratio	0.03	0.94

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44 Fair value measurements

(a) Categories of financial instruments -

Particulars	As at 31 March 2023					As at 31 March 2022				
	Carrying amount	Fair values				Carrying amount	Fair values			
		FVTPL	FVTPL	FVTOCI	Amortised cost		FVTPL	FVTPL	FVTOCI	Amortised cost
Category		Level 1	Level 3	Level 3	Level 2		Level 1	Level 3	Level 3	Level 2
Financial assets										
Trade receivables	2,589.82	-	-	-	2,589.82	1,634.80	-	-	-	1,634.80
Cash and cash equivalents	708.64	-	-	-	708.64	33.39	-	-	-	33.39
Other bank balances	313.81	-	-	-	313.81	146.77	-	-	-	146.77
Investment in mutual funds - Quoted	10.01	10.01	-	-	-	170.11	170.11	-	-	-
Investments in equity shares- Unquoted	2.60	-	-	2.60	-	2.09	-	-	2.09	-
Loans	11.38	-	-	-	11.38	8.36	-	-	-	8.36
Other financial assets	30.28	-	-	-	30.28	25.90	-	-	-	25.90
Total financial assets	3,666.54	10.01	-	2.60	3,653.93	2,021.42	170.11	-	2.09	1,849.22
Financial liabilities										
Borrowings	1.06	-	-	-	1.06	2,850.75	-	-	-	2,850.75
Trade payables	815.18	-	-	-	815.18	698.54	-	-	-	698.54
Other financial liabilities	252.99	-	-	-	252.99	120.00	-	-	-	120.00
Total financial liabilities	1,069.24	-	-	-	1,069.24	3,669.29	-	-	-	3,669.29

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortized cost approximates the fair value (except for which the fair values are mentioned). Investments in Mutual Funds which are designated at FVTPL & investment in shares which are classified as FVTOCI are at fair value.

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45 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under":

(i) Defined contribution plan - Provident fund and other funds

The company has recognized following amounts in the profit & loss account for the year/ period:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Provident fund		
Employer's Contribution	12.72	10.30
Administration charges	0.55	0.46
Employer's Contribution to ESI (Employee State Insurance)	2.68	2.37
	15.95	13.12

(ii) Defined benefit plan

1) The defined benefit plan comprises gratuity, which is funded.
2) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).
The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.
These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
Present Value of Benefit Obligation at the Beginning of the Period	25.12	17.43
Interest cost	1.82	1.19
Current service cost	6.48	5.20
Benefits paid	(1.20)	(0.67)
Actuarial (Gains)/Losses on Obligations		
- Due to Change in Demographic Assumptions	-	0.01
- Due to Change in Financial Assumptions	(1.12)	(1.53)
- Due to Experience	2.24	3.50
Present value of obligation at the end of the period / year	33.33	25.12

Changes in the fair value of plan assets are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Fair value of plan assets at the beginning of the period / year	27.46	19.18
Interest income	1.99	1.31
Contributions	8.55	7.65
Mortality charges and taxes	-	-
Benefits paid	(1.20)	(0.67)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(0.55)	-
Fair value of Plan assets at end of the period / year	36.24	27.46

Net interest cost for current period

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Present Value of Benefit Obligation at the Beginning of the Period	25.12	17.43
Fair Value of Plan Assets at the Beginning of the Period	(27.46)	(19.18)
Net Liability/(Asset) at the Beginning	(2.34)	(1.75)
Interest Cost	1.82	1.19
Interest Income	(1.99)	(1.31)
Net Interest Cost for Current Period	(0.17)	(0.12)

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	6.48	5.20
Net Interest (Income)/ Expense	(0.17)	(0.12)
Net benefit expense	6.31	5.08

Amount recognised in the statement of other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Re-measurement for the year - obligation (gain) / loss	1.12	1.98
Re-measurement for the year - plan assets (gain) / loss	0.55	-
Total re-measurements cost / (credit) for the period / year recognised in other comprehensive income	1.67	1.98

Net Defined Benefit Liability/(Asset) for the period / year

Particulars	As at 31 March 2023	As at 31 March 2022
Defined Benefit Obligation	33.33	25.12
Fair value of plan assets	36.24	27.46
Closing net defined benefit liability/(asset)	(2.91)	(2.34)

Particulars	As at 31 March 2023	As at 31 March 2022
Current	(2.91)	(2.34)
Non-Current	-	-

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The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
	%	%
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Discount rate	7.50%	6.82%
Rate of increase in compensation levels	8.00%	8.00%
Expected rate of return on plan assets	7.50%	6.82%
Withdrawal rate #		
Age up to 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 & 31 March 2022 is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 March 2023		As at 31 March 2022	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in rate of discounting	(3.97)	4.85	(3.09)	3.79
Delta effect of 1% change in rate of salary increase	4.59	(3.93)	3.64	(3.08)
Delta effect of 1% change in rate of employee turnover	(0.39)	0.42	(0.41)	0.46

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Duration of defined benefit payments	31 March 2023	31 March 2022
1st Following Year	1.23	0.90
2nd Following Year	1.39	1.00
3rd Following Year	1.57	1.16
4th Following Year	1.75	1.23
5th Following Year	1.84	1.35
Sum of Years 6 To 10	10.24	7.35
Sum of Years 11 and above	100.33	75.50

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46 Stock options scheme

Aether Industries Limited - Employee Stock Option Scheme - 2021 (AIL ESOS 2021):

The Company has instituted equity-settled Employee Stock Option Scheme - 2021 duly approved by the shareholders in the extra-ordinary general meeting of the Company held on 18 November 2021. The Company introduced the AIL ESOS 2021 primarily with a view to attract, retain and incentivise the existing and new employees of the Company and motivate them to contribute to the growth and profitability of the Company. The shareholders by way of special resolution have authorised the Nomination and Remuneration Committee to grant options not exceeding 11,00,000 to the eligible employees under the AIL ESOS 2021, in one or more tranches, with each such option conferring a right upon the Eligible employee to apply for one share of the Company.

As per AIL ESOS 2021, the Nomination and Remuneration Committee shall determine the eligibility criteria for employees to whom the options would be granted and shall approve the grant of options. The options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 7 (seven) years from the date of grant of options. Vesting of options would be subject to continued employment with the Company. The exercise period shall be 7 (seven) years from the date of vesting of options. The vested options can be exercised by the employee any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.

The scheme was modified on 27 September 2022 and the revised terms are prospectively applicable to all grants under the scheme. The modified terms are defined as follows:
The vesting period is minimum 1 (one) year but not later than 15 (fifteen) years from the date of grant of options. Vesting of options would be subject to continued employment with the Company. The exercise period shall be 15 (fifteen) years from the date of vesting of options, subject to exceptional circumstances. The vested options can be exercised by the employee any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.

Under the said scheme Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees:

Grant Date	Tranche	No. of options	Total no. of options
November 20, 2021	Not applicable	181,122	181,122
November 20, 2022	Tranche 2	12,461	40,564
November 20, 2022	Tranche 3	24,922	
November 20, 2022	Tranche 4	3,181	

Reconciliation of outstanding employee stock options:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Weighted average exercise price per option (Rs.)	Numer of options	Weighted average exercise price per option (Rs.)	Numer of options
Opening Balance	321.00	174,831	-	-
Granted during the year	335.27	40,564	321.00	181,122
Exercised during the year	321.00	28,048	-	-
Forfeited / Lapsed during the year	321.00	13,199	321.00	6,291
Closing Balance	324.32	174,148	321.00	174,831
Options exercisable at the end of the period	-	-	-	-

Weighted average share price on the date of exercise is Rs. 985.35/- (Previous Year: NA*)

*Weighted average exercise price of shares is required to be disclosed, where share options are exercised during the period. As no options were exercised in the previous period, information is not disclosed.

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Stock options outstanding at the end of the period have the following remaining contractual life:

Grant date	Expiry date	Exercise price (Rs.)	Options outstanding as at 31 March 2023	Options outstanding as at 31 March 2022
November 20, 2021	November 20, 2029	321.00	-	29,447
November 20, 2021	November 20, 2030	321.00	27,256	29,520
November 20, 2021	November 20, 2031	321.00	27,182	29,446
November 20, 2021	November 20, 2032	321.00	24,715	26,977
November 20, 2021	November 20, 2033	321.00	21,147	23,094
November 20, 2021	November 20, 2034	321.00	19,968	21,808
November 20, 2021	November 20, 2035	321.00	13,316	14,539
November 20, 2022	November 20, 2026	321.00	4,153	-
November 20, 2022	November 20, 2027	321.00	4,153	-
November 20, 2022	November 20, 2028	321.00	4,155	-
November 20, 2022	November 20, 2027	321.00	6,230	-
November 20, 2022	November 20, 2028	321.00	6,230	-
November 20, 2022	November 20, 2029	321.00	6,230	-
November 20, 2022	November 20, 2030	321.00	6,232	-
November 20, 2022	November 20, 2031	503.00	477	-
November 20, 2022	November 20, 2032	503.00	477	-
November 20, 2022	November 20, 2033	503.00	477	-
November 20, 2022	November 20, 2034	503.00	477	-
November 20, 2022	November 20, 2035	503.00	477	-
November 20, 2022	November 20, 2036	503.00	477	-
November 20, 2022	November 20, 2037	503.00	319	-
Total			174,148	174,831
Weighted average remaining contractual life of the options outstanding at the end of the period			8.93 years	10.27 years

Fair value of the options granted:

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grant made on 20 November 2022

i. Tranche I

Grant: AIL ESOS 2021 (modified)	Vesting Date		
Grant Date: 20 November 2022	November 20, 2023	November 20, 2024	November 20, 2025
Input variables			
Stock Price per share (Rs.)	985.35	985.35	985.35
Standard Deviation (Volatility)	44.39%	45.90%	44.84%
Risk-free Rate	7.03%	7.12%	7.16%
Exercise Price (Rs.)	321.00	321.00	321.00
Time to Maturity (in years)	2.50	3.50	4.50
Dividend yield	0.00%	0.00%	0.00%
Output			
Fair value of option (Rs.)	720.47	744.50	764.60

ii. Tranche II

Grant: AIL ESOS 2021 (modified)	Vesting Date			
Grant Date: 20 November 2022	November 20, 2023	November 20, 2024	November 20, 2025	November 20, 2026
Input variables				
Stock Price per share (Rs.)	985.35	985.35	985.35	985.35
Standard Deviation (Volatility)	46.81%	44.37%	44.20%	42.66%
Risk-free Rate	7.08%	7.12%	7.18%	7.31%
Exercise Price (Rs.)	321.00	321.00	321.00	321.00
Time to Maturity (in years)	3.00	4.00	5.00	6.00
Dividend yield	0.00%	0.00%	0.00%	0.00%
Output				
Fair value of option (Rs.)	733.86	753.56	773.65	791.09

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iii. Tranche III

Grant: AIL ESOS 2021 (modified)	Vesting Date						
Grant Date: 20 November 2022	November 20, 2024	November 20, 2025	November 20, 2026	November 20, 2027	November 20, 2028	November 20, 2029	November 20, 2030
Input variables							
Stock Price per share (Rs.)	985.35	985.35	985.35	985.35	985.35	985.35	985.35
Standard Deviation (Volatility)	43.46%	42.33%	42.68%	42.17%	42.45%	42.42%	43.11%
Risk-free Rate	7.26%	7.34%	7.35%	7.35%	7.33%	7.36%	7.38%
Exercise Price (Rs.)	503.00	503.00	503.00	503.00	503.00	503.00	503.00
Time to Maturity (in years)	5.50	6.50	7.50	8.50	9.50	10.50	11.50
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Output							
Fair value of option (Rs.)	688.80	713.27	738.17	758.11	777.93	795.74	813.86

Fair value and assumptions for the equity-settled grant made on 20 November 2021

Grant: AIL ESOS 2021	Vesting Date						
Grant Date: 20 November 2021	November 20, 2022	November 20, 2023	November 20, 2024	November 20, 2025	November 20, 2026	November 20, 2027	November 20, 2028
Input variables							
Stock Price per share (Rs.)	411.81	411.81	411.81	411.81	411.81	411.81	411.81
Standard Deviation (Volatility)	41.64%	40.62%	41.21%	40.77%	41.31%	41.35%	41.89%
Risk-free Rate	5.72%	5.96%	6.19%	6.29%	6.36%	6.37%	6.48%
Exercise Price (Rs.)	321.00	321.00	321.00	321.00	321.00	321.00	321.00
Time to Maturity (in years)	4.50	5.50	6.50	7.50	8.50	9.50	10.50
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Output							
Fair value of option (Rs.)	210.91	226.79	244.51	257.65	271.43	282.50	294.59

<u>Rationale for principal variables used:</u>

- Time to maturity of options is the period of time from the grant date to the date on which option is expected to be exercised. Th minimum life of stock option is the minimum period before which the options cannot be exercised, and maximum life is the period after which the options cannot be exercised

- The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly availab information.

The company has recorded employee share-based compensation expense in the current year amounting to Rs. 1,55,13,828 (Previous year: Rs. 59,56,540/-) for the options issued to the employees.

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47 Revenue from contracts with customers

(a) Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gross Sales (Contracted Price)	6,510.74	5,902.73
Reductions towards variable consideration (Discount & Delayed Delivery Charges)	-	(2.26)
Revenue recognised	6,510.74	5,900.47

The Company derives its revenue from contracts with customers for the transfer of goods and services at a point in time and over the period in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

(b) External revenue by Product Line

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
3-Methoxy-2-Methyllenzoyl Chloride (MMBC)	976.42	588.49
4-(2-Methoxyethyl) Phenol (4MEP)	926.88	1,650.33
Bifenthrin Alcohol (BFA)	925.45	623.15
Thiophene-2-Ethanol (T2E)	498.47	668.10
2-Methoxy-6-Chlorotoluene (MCT)	331.91	190.75
1-[2-(2-Hydroxyethoxy)Ethyl]Piperazine (HEEP)	288.30	225.03
1-Deoxy-1-(Octylamino)-D-Glucitol (NODG)	221.38	219.18
Delta - Valerolactone (DVL)	218.35	195.31
4'-Methyl-2-Cyanobiphenyl (OTBN)	30.04	243.51
Other Products	1,276.16	817.56
Revenue from products (Recognised at point in time) (A)	5,693.36	5,421.42
Service name		
CRAMS	817.38	479.05
Revenue from services (Recognised over the period) (B)	817.38	479.05
Grand Total (A) + (B)	6,510.74	5,900.47

(c) Revenue by Business Classification

Product Name	For the year ended 31 March 2023	For the year ended 31 March 2022
Large Scale Manufacturing	3,356.91	3,955.02
Contract Manufacturing	2,233.79	1,402.39
Contract Research And Manufacturing Services (CRAMS)	816.59	479.05
Others	103.45	64.00
Total revenue	6,510.74	5,900.47

(d) Revenue by Geographies / Regions:

Country / Region	For the year ended 31 March 2023	For the year ended 31 March 2022
India (including Deemed Exports)	3,590.36	3,116.22
India (SEZ)	281.07	351.72
Italy	976.57	533.57
USA	519.38	227.81
Netherlands	358.20	142.88
Germany	266.57	377.45
Spain	120.00	504.96
China	105.16	90.17
Japan	67.70	71.26
Israel	59.33	24.56
Mexico	51.42	140.70
Switzerland	41.50	80.01
Belgium	8.85	65.17
Romania	5.24	20.50
Taiwan	0.66	90.37
Others - Europe	45.16	63.15
Others - Asia	13.55	-
Total revenue	6,510.74	5,900.47

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48 **Leases**

(a) For Right-of-use assets schedule - Please refer note 5

(b) Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Current	10.76	5.85
Non Current	145.32	50.69
Total	156.07	56.54

(c) Interest expenses on lease liabilities

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on lease liabilities	12.09	4.67

(d) Expenses on short term leases / low value assets

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Short-term lease	6.88	1.23
Low value assets	-	-

(e) Amounts recognised in the statement of cash flow

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total cash outflow for leases	11.03	10.01

(f) Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	26.59	14.19
One to five years	97.66	57.75
More than five years	202.31	5.40
Total undiscounted lease liabilities	326.56	77.35

(g) Other notes

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2018 is 9.50%.

Operating lease payable as per previous GAAP as at transition date is considered for calculation of lease liabilities under Ind AS 116.

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49 Operating Segment

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sales Value		
India	3,871.43	3,467.93
Rest of the World	2,639.31	2,432.54
	6,510.74	5,900.47
Carrying amount of assets*		
India	1,066.06	962.10
Rest of the world	1,523.75	672.71
	2,589.82	1,634.80
*Segment assets represent trade receivables		
Additions to property, plant and equipment, right of use assets and intangible assets		
India	4,123.39	563.53
	4,123.39	563.53

(b) Information about major customers (External Customers):

The following is the transactions by the company with external customers individually contributing 10% or more of revenue from operations:

(i) For the period ended March 31, 2023, revenue from operations of one customer of the company represented approximately 14.00% of revenue from operations.
(ii) For the year ended March 31, 2022, revenue from operations of one customer of the company represented approximately 12.10% of revenue from operations.

50 Corporate social responsibility

As per the provisions of section 135 of Companies Act 2013, the Company was required to spend Rs. 19.75 million (March 31, 2022: Rs.12.19 million), being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. However, the Company has spent Rs. 19.98 million (March 31, 2022: Rs. 12.19 million) towards Corporate Social Responsibility activities. Below are the details of the amount spent during the year :

Particulars	CSR activities	For the year ended 31 March 2023	For the year ended 31 March 2022
Aether Foundation	Promoting education in tribal and rural area	2.10	7.84
Ambika Education Trust, Dodipada	Promoting education in rural area	1.50	-
Kagzi Traders	To celebrate Azadi ka Amrut Mahotsav - Education	0.16	-
Surat Municipal Corporation	To celebrate Azadi ka Amrut Mahotsav - Education	0.02	-
Rogi Kalyan Samiti New Civil Hospital	Disaster management, including relief, rehabilitation and reconstruction activities (COVID-19)	-	0.25
Kajorimal Basantilal Nagori Trust	Promoting education in rural area	0.60	0.50
Shivam Education Trust	Nursing College Building	2.50	-
Surat Manav Seva Sangh	Disaster management, including relief, rehabilitation and	-	1.00
Surat Raktadan Kendra and Research Centre	Preventive health-care measure	-	0.60
Nimar Abhyudaya Rural Management & Development Associatio	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly	-	1.00
Vanvasi Vikas Mandal, Waghai	Promoting education in tribal and rural area for girls	3.10	-
Shree Mahavir Health and Medical Relief Society	New Cancer Research Project / Preventive health-care measure	10.00	1.00
	Total	19.98	12.19

51 Events subsequent to March 31, 2023

None

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: May 6, 2023

For and on behalf of the Board of Directors of
Aether Industries Limited

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: May 6, 2023

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: May 6, 2023

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: May 6, 2023

Chitrarth Parghi
Company Secretary
Mem. No.: F12563
Place: Surat
Date: May 6, 2023

M. No. 107086 SURAT.

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AETHER INDUSTRIES LIMITED
Annexure VI - Notes to the financial information (continued)
(All amounts in Indian Rupees millions, unless otherwise stated)

52 Ratios as per the Schedule III requirements

(a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Current Assets	6,751.28	4,097.90
Current Liabilities	940.00	2,421.75
Current Ratio (Times)	7.18	1.69
% Change from previous period / year	324.45%	

(b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Total Debt	1.06	2,850.75
Total Equity	12,446.09	3,868.89
Debt Equity Ratio (Times)	0.00	0.74
% Change from previous period / year	-99.99%	

(c) Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Particulars	As at 31 March 2023	As at 31 March 2022
Profit for the year	1,304.17	1,089.29
Add: Non cash operating expenses and finance cost	-	-
Depreciation and amortisation expense	232.45	154.87
Finance costs	50.93	131.21
Earnings available for debt services	1,587.55	1,375.37
Interest cost on borrowings	30.26	114.71
Principal repayments (including certain prepayments)	1,695.93	142.35
Total Interest and principal repayments	1,726.19	257.06
Debt Service Coverage Ratio (Times)	0.92	5.35
% Change from previous period / year	-82.81%	

(d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	As at 31 March 2023	As at 31 March 2022
Profit for the year	1,304.17	1,089.29
Total Equity	12,446.09	3,868.89
Return on Equity Ratio (%)	10.48%	28.16%
% Change from previous period / year	-62.78%	

(e) Inventory Turnover Ratio = Closing Inventory divided by Cost of Material Consumed plus Changes in Inventory in to 365/366

Particulars	As at 31 March 2023	As at 31 March 2022
Cost of materials consumed	3,173.39	2,880.33
Closing Inventory	2,487.66	1,627.44
Inventory Turnover Ratio (Days)	286	206
% Change from previous period / year	38.74%	

(f) Trade receivables turnover ratio = Credit Sales divided by Closing Trade Receivables in to 365/366

Particulars	As at 31 March 2023	As at 31 March 2022
Credit Sales	6,510.74	5,900.47
Closing Trade Receivables	2,589.82	1,634.80
Trade Receivables Ratio (Days)	145	101
% Change from previous period / year	43.57%	

(g) Trade payables turnover ratio = Closing trade payables divided by Cost of Materials Consumed in to 365/366

Particulars	As at 31 March 2023	As at 31 March 2022
Cost of materials consumed	3,173.39	2,880.33
Closing Trade Payables	815.18	698.54
Trade Payables Turnover Ratio (Days)	94	89
% Change from previous period / year	5.92%	

(h) Net capital Turnover Ratio =Revenue from Operations divided by Net Working capital whereas net working capital= current assets - current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Revenue from operations	6,510.74	5,900.47
Net Working Capital	5,811.28	1,676.15
Net Capital Turnover Ratio (Times)	1.12	3.52
% Change from previous period / year	-68.17%	

(i) Net profit ratio = Net profit after tax divided by Revenue from operations.

Particulars	As at 31 March 2023	As at 31 March 2022
Profit for the year	1,304.17	1,089.29
Revenue from operations	6,510.74	5,900.47
Ratio (Times)	0.20	0.18
% Change from previous period / year	8.51%	

(j) Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Capital Employed- pre cash

Particulars	As at 31 March 2023	As at 31 March 2022
Profit/(Loss) before tax* (A)	1,744.79	1,464.73
Finance Costs* (B)	50.93	131.21
Other income* (C)	165.65	69.74
EBIT (D) = (A)+(B)-(C)	1,630.06	1,526.20
Capital Employed- Pre Cash (K)=(E)+(F)+(G)-(H)-(I)-(J)	11,414.69	6,369.36
Total Equity (E)	12,446.09	3,868.89
Non-Current Borrowings (F)	-	1,218.13
Current Borrowings (G)	1.06	1,632.62
Current Investments (H)	10.01	170.11
Cash and Cash equivalents (I)	708.64	33.39
Bank balances other than cash and cash equivalents (J)	313.81	146.77
Ratio (D)/(K) (%)	14.28%	23.96%
% Change from previous period / year	-40.40%	

SURAT

AETHER INDUSTRIES LIMITED
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53 **Ratios as per the Schedule III requirements**

a. Registration of charges or satisfaction with Registrar of Companies (ROC):
The Company had registered various charges with the ROC within the statutory time period. During the financial year, the Company has repaid all its Term Loans and hence the collaterals have been released from the bank and accordingly the charges registered with ROC, have been satisfied.

b. Details of Benami Property held:
The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, hence no proceedings initiated or pending against the Company under the said Act and Rules.

c. Loans and advances granted to specified person
Except as stated in the notes to accounts and financial statements, there are no other loans or advances granted to specified persons namely the promoters, directors, KMPs and related parties.

d. Utilisation of borrowed funds, share premium and other funds
The Company has not received any funds from any person or entity with the understanding that the Company would directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiary) or provided any guarantee or security or the like on behalf of the ultimate beneficiary,

The Company has not advanced or loaned or invested to any other person(s), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

Ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

e. Compliance with the number of layers of companies
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

f. Details of Crypto Currency or Virtual Currency
The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

g. Undisclosed Income
There is no transaction, which has not been recorded in the books of accounts, that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961

h. Relationship with struck off companies
The Company has not have any transactions with companies, which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT.

AETHER INDUSTRIES LIMITED Authorised SURAT

BIRJU S. SHAH & ASSOCIATES

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INDEPENDENT AUDITOR'S REPORT

To,
The Board of Directors
AETHER INDUSTRIES LIMITED,
Surat

I. Audit Report on the Financial Statements

1. Opinion

A. We have audited the accompanying Standalone Ind AS Financial Statements of AETHER INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the [Rules] made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

BIRJU S. SHAH & ASSOCIATES
M. No. 167036
SURAT.
CHARTERED ACCOUNTANTS

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Financial Statements

A. The Company's management is responsible for preparation of these Financial Statements that give a true and fair view of the state of affairs, profit, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

B. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

A. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards of Auditing issued by the institute of chartered accountants of India, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or

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SURAT.

in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

i) planning the scope of our audit work and in evaluating the results of our work; and

ii) to evaluate the effect of any identified misstatements in the Financial Statements.

D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account

D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014

E. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

F. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

G. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its

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Standalone Financial Statements;

ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Other Matters

1. Opening balance with respect to the financial information for the year ended 31 March 2022, included in these Financial Statements, are based on audited Financial Statements for the year ended 31 March 2021, which has been approved by the Company's Board of Directors on 06.12.2021.

Our opinion is not modified in respect of this matter.

Basis of Accounting and Restriction on Distribution and Use

The financial statements are prepared solely to assist Aether Industries Limited to meet the requirements of preparation of Financial Statements in connection with its initial public offer. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Aether Industries Limited for the purpose of its initial public offer.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration Number: 131554W

BIRJU S. SHAH & ASSOCIATES M. No. 107086 SURAT. CHARTERED ACCOUNTANTS

Proprietor
Membership No. 107086

Place: SURAT.
Date: 16.06.2022
UDIN: 22107086AKZYYJ3096

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ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of AETHER INDUSTRIES LTD for the year ended 31st March, 2022.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) A. **whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;**

Yes, All the Capital Assets have been properly recorded containing details of quantity, situation and all other relevant particulars from which particular Asset can be identified.

B. **whether the company is maintaining proper records showing full particulars of intangible assets;**

Yes, The company is following proper harmonized system to record its Fixed Assets which demonstrate full particulars of the Assets.

(b) **whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt within the books of account;**

Yes, All the capitalized Assets are physically verified by the management.

(c) **Whether the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company, If not, provide the details thereof in the format below:-**

Yes, The Company has leasehold title of the plot No. 8203, GIDC Sachin, Surat in its name.

(d) **Whether the Company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;**

No. There is no any kind of revaluation in respect of Property, Plant and Equipment (including Right of Use assets) or intangible assets or both has been made during the year.

(e) **Whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions(Prohibition) Act, 1988 (45 of**

1988) and rules made there under, if so, whether the Company has appropriately disclosed the details in its financial statements;

No. There is no any kind of such proceedings under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, have been initiated or are pending against the company till the audit period.

2. (a) **whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account;**

Yes, Inventory (Including but not limited to Raw Material, Semi-Finished and Finished Goods) has been properly verified by the management at reasonable intervals. No any material discrepancies have been noticed during the course of audit.

(b) **whether during any point of time of the year, 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; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;**

Yes, The company has been sanctioned working capital limit exceeding five crores and quarterly returns and statements are in conformity with the books of accounts of the Company.

3. **whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so,-**

During the audit period, the Company has not made any investment in, provided any guarantee or security or granted, secure or unsecured, to companies, firms, LLP or any other parties. The company has a policy to give short term loans to the employees and proper documentation as well as policy of the company has been followed.

(a) **whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-**

A. **the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates;**

This particular clause is not applicable to the company for the audit period.

B. **the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;**

This particular clause is not applicable to the company for the audit period.

(b) **whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;.**

This particular clause is not applicable to the company for the audit period.

(c) **in respect of loans and advances in the nature of loans whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;**

In respect of loans provided to the employees of the company, a proper schedule of the repayment of loan has been stipulated and repayment or receipts are regular.

(d) **if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;**

This particular clause is not applicable to the company for the audit period.

(e) **whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [not applicable to companies whose principal business is to give loans];**

This particular clause is not applicable to the company for the audit period.

(f) **whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013;**

This particular clause is not applicable to the company for the audit period.

4. **in respect of loans, investments, guarantees, and security, whether provisions of sections 185 and 186 of the Companies Act have been complied with, if not, provide the details thereof;**

Yes, the provisions of section 185 and 186 have been duly complied with.

5. **in respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made there under, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of**

India or any court or any other tribunal, whether the same has been complied with or not;

This particular clause is not applicable to the company for the audit period.

6. **whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act and whether such accounts and records have been so made and maintained;**

Yes, the company has maintained proper cost records within the premises.

7 (a) **whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;**

Yes, all the statutory dues including GST, PF, ESI, Income Tax, custom duty, excise duty, VAT etc. have been deposited at regular intervals during the audit period.

(b) **where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute);**

There are appeals pending in income tax for the financial year 2017-18 and 2018-19. The disputed demand of Rs. 2,16,938/- for A.Y. 2017-18 and Rs.9,27,868/- for A.Y. 2018-19 are outstanding.

8. **Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year;**

No such instances have been found.

9. (a) **whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below:-**

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*	*Remarks, if any*
	**lender wise details to be provided in case of defaults to banks, financial*				

	institutions and Government				
NA	*NA*	-	-	-	-

(b) whether the company is a declared willful defaulter by any bank or financial institution or other lender;

No.

(c) whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported;

Yes. Disbursed amount of sanctioned for term loans have been utilized for the purpose for which same has been sanctioned and obtained.

(d) whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated;

No.

(e) whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case;

No, the company has not taken any fund for the stated purpose.

(f) whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;

No. the company has not taken any fund for the stated purpose.

10. (a) whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised, if not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;

No. The company has not raised any moneys by way of public offer or further public offer (Including debt instruments) during the year.

(b) whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance;

The company has not made any preferential allotment or private placement of shares or

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convertible debentures (fully, partially or optionally convertible) during the year. However, there was a conversion of Preference shares into Equity shares by the company amounting to Rs. 25 crore in the year. The provision of section 42 and 62 of the companies Act, 2013 has been duly complied with.

11. (a) **whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated;**

No any kind of such instances has been noticed during the course of audit.

(b) **whether any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;**

No.

(c) **whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;**

No any kind of such instances has been noticed during the course of audit.

12. (a) **whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability;**

This particular clause is not applicable to the company for the audit period.

(b) **Whether the Nidhi Company is maintaining ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;**

This particular clause is not applicable to the company for the audit period.

(c) **whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;**

This particular clause is not applicable to the company for the audit period.

13. **whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;**

Yes, the provisions of section 177 and 188 of the Companies Act, 2013 has been duly complied by the company and has also been duly disclosed in the financial statements as required by the AS 18.

14. (a) **whether the company has an internal audit system commensurate with the size and nature of its business;**

Yes. The company has adequate internal audit system which commensurate with the size and nature of its business.

(b) whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;

Yes. The internal auditor's report has been duly considered for statutory audit.

15. whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with;

The company has not entered into any non-cash transactions with any directors or persons connected with him.

16. (a) whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained;

This particular clause is not applicable to the company for the audit period.

(b) whether the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;

This particular clause is not applicable to the company for the audit period.

(c) whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria;

This particular clause is not applicable to the company for the audit period.

(d) whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;

This particular clause is not applicable to the company for the audit period.

17. Whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses;

No. the company has not incurred and cash losses in the financial year and in the immediately preceding financial year.

18. whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors;

Yes. The previous auditor has resigned from the office in the last year. However, there is no any kind of issues, objections or concerns raised by the outgoing auditors.

19. on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is

capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

Yes. As per the substantive analytical procedures, the company is in position to meet its liability exist on the date of balance sheet and when they fall due within a period of one year from the date of balance sheet.

20. (a) whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;

Yes, the company has duly complied with the provisions of section 135 of the companies act, 2013.

(b) whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;

This particular clause is not applicable to the company for the audit period.

21. Whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO Report containing the qualifications or adverse remarks.

This particular clause is not applicable to the company for the audit period.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration No. : 131554W

Place : Surat
Date : 16/06/2022
UDIN: 22107086AKZYYJ3096

Proprietor
Membership No. 107086

BIRJU S. SHAH & ASSOCIATES

113, INTERNATIONAL BUSINESS CENTRE, NR. BIG BAZAR,
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ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **AETHER INDUSTRIES LTD.** ("The Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration No. : 131554W

Place : Surat
Date : 16/06/2022
UDIN: 22107086AKZYY3096

Proprietor
Membership No. 107086

AETHER INDUSTRIES LIMITED
Annexure I - Statement of Assets and Liabilities
(All amounts in Indian Rupees millions, unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,355.28	2,064.98
Capital work-in-progress	4	577.42	1.98
Right-of-use assets	5	211.21	91.74
Other intangible assets	6	4.49	5.61
Financial assets			
(i) Investments	7	2.09	2.09
(ii) Other financial assets	8	23.20	15.34
Other non-current assets	9	426.64	12.42
Total non-current assets		3,600.34	2,194.16
Current assets			
Inventories	10	1,627.44	847.28
Financial assets			
(i) Investments	11	170.11	220.90
(ii) Trade receivables	12	1,634.80	1,082.40
(iii) Cash and cash equivalents	13	33.39	35.14
(iv) Bank balances other than (iii) above	14	146.77	20.49
(v) Loans	15	8.36	7.92
(vi) Other financial assets	16	2.70	5.71
Other current assets	17	474.34	115.44
Total current assets		4,097.90	2,335.28
Total assets		7,698.25	4,529.44
EQUITY & LIABILITIES			
Equity			
Equity share capital	18	1,126.91	100.99
Other equity	19	2,741.97	1,642.34
Total equity		3,868.88	1,743.33
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	1,218.13	1,037.87
(ii) Lease liabilities	21	50.69	27.11
Deferred tax liabilities (net)	36 (d)	138.79	102.07
Total non-current liabilities		1,407.61	1,167.05
Current liabilities			
Financial liabilities			
(i) Borrowings	22	1,632.62	1,044.13
(ii) Lease liabilities	23	5.85	3.56
(iii) Trade payables	24		
a) total outstanding dues of micro enterprises and small enterprises		211.19	89.35
b) total outstanding dues of creditors other than micro enterprises and small		487.35	388.38
(iv) Other financial liabilities	25	63.46	44.43
Other current liabilities	26	14.67	41.51
Provisions	27	-	-
Current tax liabilities (net)	36 (c)	6.61	7.70
Total current liabilities		2,421.75	1,619.06
Total liabilities		3,829.37	2,786.11
Total equity and liabilities		7,698.25	4,529.44

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report of even date attached

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: June 16, 2022
ICAI UDIN: 22107086AKZYYJ3096

M. No. 107086 SURAT

For and on behalf of Board of Directors of
Aether Industries Limited
CIN: U24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: June 16, 2022

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: June 16, 2022

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: June 16, 2022

Chitrarth Parghi
Company Secretary
Mem. No.: A54033
Place: Surat
Date: June 16, 2022

AETHER INDUSTRIES LIMITED Authorised SURAT

AETHER INDUSTRIES LIMITED

Annexure II - Statement of Profit and Loss

(All amounts in Indian Rupees millions, unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	28	5,900.47	4,498.16
Other Income	29	69.74	39.73
Total Income		5,970.21	4,537.89
Expenses			
Cost of materials consumed	30	3,585.21	2,249.16
Changes in inventories of finished goods and work-in-progress	31	(704.88)	57.72
Employee benefits expense	32	270.44	221.13
Finance costs	33	131.21	113.15
Depreciation and amortisation expense	34	154.87	110.11
Other expenses	35	1,068.63	848.56
Total expenses		4,505.48	3,599.83
Profit before tax		1,464.73	938.06
Tax expense:	36		
Current tax		338.73	201.00
Deferred tax		36.72	25.87
Total Tax Expenses		375.44	226.87
Profit for the period (A)		1,089.29	711.19
Other comprehensive (loss) / income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		(1.98)	(0.86)
(i) Income tax relating to remeasurements of defined benefit liability / (asset)		0.50	0.22
Other comprehensive (loss) / income (B)		(1.48)	(0.64)
Total comprehensive income for the period (A+B)		1,087.81	710.55
Earnings per equity share			
(nominal value of Rs. 10)			
Basic	37	9.67	7.36
Diluted		9.67	7.36

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report of even date attached

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: June 16, 2022
ICAI UDIN: 22107086AKZYYJ3096

For and on behalf of the Board of Directors of
Aether Industries Limited
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AETHER INDUSTRIES LIMITED
Authorised
SURAT

AETHER INDUSTRIES LIMITED
Annexure III - Statement of Changes in Equity
(All amounts in Indian Rupees millions, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the reporting period	1,00,98,567	100.99	85,60,200	85.60
Changes in equity share capital during the period	10,25,92,830	1,025.93	15,38,367	15.38
Balance at the end of the reporting period	11,26,91,397	1,126.91	1,00,98,567	100.99

For any subsequent event changes relating to share capital, refer note number 51(a).

(b) Other equity

Particulars	Reserves and surplus			Total other equity
	Employee Share Option Reserve	Securities premium	Retained earnings	
Balance at 1 April 2020		-	697.17	697.17
Total comprehensive income for the year ended 31 March 2021				
Profit for the period		-	711.19	711.19
Other comprehensive income (net of tax)				-
- Remeasurements of defined benefit liability / (asset)		-	(0.64)	(0.64)
Total comprehensive income		-	710.55	710.55
Other movements for the year ended 31 March 2021				
Share premium on conversion of preference shares		234.62		234.62
Balance at 31 March 2021		234.62	1,407.72	1,642.34
Balance at 1 April 2021	0	234.62	1,407.72	1,642.34
Total comprehensive income for the period ended 31 March 2022				
Profit for the period		-	1,089.29	1,089.29
Other comprehensive income (net of tax)				
- Remeasurements of defined benefit liability / (asset)		-	(1.48)	(1.48)
Other movements for the period ended 31 March 2022				
Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)		(234.62)	(775.24)	(1,009.86)
Preferential Allotment of Shares (1607160 Equity Shares of Rs. 10 each at a Premium of Rs. 623 per share)		1,015.73	-	1,015.73
Shares based payment options outstnading	5.96			5.96
Total movements	5.96	781.11	312.57	1,099.64
Balance at 31 March 2022	5.96	1,015.73	1,720.29	2,741.98

Nature and purpose of reserves

i) Retained earnings
Retained earnings comprises of undistributed earnings after taxes

ii) Securities premium
Securities premium account is used to record the premium on issue of shares

iii) Employee share option
Employee share options pending to be exercised are recorded here

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report of even date attached.

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: June 16, 2022
ICAI UDIN: 22107086AKZYYJ3096

M. No. 107086 SURAT

For and on behalf of the Board of Directors of
Aether Industries Limited
CIN: U24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: June 16, 2022

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Whole Time Director
DIN: 00038379
Place: Surat
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PAN: ADBPN8514G
Place: Surat
Date: June 16, 2022

Chitrarth Parghi
Company Secretary
Mem. No.: A54033
Place: Surat
Date: June 16, 2022

AETHER INDUSTRIES LIMITED Authorised SURAT

AETHER INDUSTRIES LIMITED

Annexure IV - Statement of Cash Flows
(All amounts in Indian Rupees millions, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities		
Profit before tax	1,464.73	938.06
Adjustments to reconcile profit before tax to net cash flows:		
Net unrealised foreign exchange (gain)/loss	(7.28)	0.90
Finance costs	131.21	113.15
Interest income	(4.68)	(1.00)
Income from Mutual Funds	(3.23)	-
Depreciation and amortisation expenses	154.87	110.11
Operating profit before working capital changes	1,735.62	1,161.22
Movement in working capital:		
(Increase)/Decrease in trade receivables	(552.40)	(468.46)
(Increase) / Decrease in current investments	50.79	(220.77)
(Increase)/Decrease in inventories	(780.16)	(127.89)
(Increase)/Decrease in other current assets	(358.90)	(33.61)
(Increase)/Decrease in other financial assets	(5.29)	(1.09)
Increase/(Decrease) in trade payables	220.81	97.45
Increase/(Decrease) in provisions other than income tax	-	(0.91)
Increase/(Decrease) in other current liabilities	(26.45)	26.03
Cash generated from operations	284.03	431.97
Net income tax (paid)	(338.45)	(200.01)
Net cash from operating activities (A)	(54.42)	231.96
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(527.66)	(969.95)
Proceeds on sale/maturity of financial assets	-	-
Capital work in progress and capital advance	(989.66)	196.75
Dividend from current investments	7.90	1.00
Proceeds from disposal of property, plant and equipment	-	6.27
Loans (Financial assets)	-	-
Net cash used in investing activities (B)	(1,509.41)	(765.93)
C. Cash flows from financing activities		
Proceeds / (Repayment) from long-term borrowings	267.63	432.18
Proceeds / (Repayment) of borrowings (Unsecured)	323.50	15.10
Proceeds / (repayment) from working capital facilities (net)	177.62	194.06
Proceeds / (repayment) from/(of) short term borrowings	-	-
Preferential allotment of Shares	1,031.80	-
Proceeds / (repayment) of Other Financial liabilities	19.03	25.41
Interest paid	(131.21)	(113.15)
Net cash used in financing activities (C)	1,688.37	553.60
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	124.54	19.63
Effect of exchange differences on account of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the beginning of the period / year	55.63	36.00
Cash and cash equivalents at the end of the period / year	180.16	55.63
Notes:-		
1. Cash and cash equivalents include		
Cash on hand	0.98	0.39
Balances with bank		
- Current accounts	0.01	0.15
- EEFC accounts	32.40	34.60
Other bank balances	146.77	20.49
	180.16	55.63

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

Significant non-cash movement in investing and financing activities

	For the year ended 31 March 2022	For the year ended 31 March 2021
Conversion of Preference Shares to Equity Shares	-	(250.00)
Foreign exchange fluctuations	0.08	(14.23)
Acquisition of Right-of-use assets with corresponding impact to lease liabilities	130.02	15.46

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report attached of even date

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: June 16, 2022
ICAI UDIN: 22107086AKZYVJ3096

M. No. 107086 SURAT

For and on behalf of the Board of Directors of
Aether Industries Limited
CIN: U24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: June 16, 2022

[illegible]an Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: June 16, 2022

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: June 16, 2022

Chitrarth Parghi
Company Secretary
Mem. No.: A54033
Place: Surat
Date: June 16, 2022

AETHER INDUSTRIES LIMITED Authorised SURAT

(All amounts in Indian Rupees millions, unless otherwise stated)

18 Share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised :		
14,00,00,000 (31 March 2021: 1,50,00,000) equity shares of Rs.10 each.	1,400.00	150.00
0 (31 March 2021: 2,50,00,000) preference shares of Rs.10 each	-	250.00
TOTAL	1,400.00	400.00
Issued and subscribed and paid up:		
Equity share capital		
11,26,91,397 (31 March 2021: 1,00,98,567) equity shares of Rs.10 each fully paid-up	1,126.91	100.99
TOTAL	1,126.91	100.99

Reconciliation of number of shares outstanding at the beginning and end of the year/period :

Equity share :	As at 31 March 2022	As at 31 March 2021
	Number of Shares	Number of Shares
Outstanding at the beginning of the year/period	1,00,98,567	85,60,200
Add: Issued during the period	10,25,92,830	15,38,367
Outstanding at the end of the year/period	11,26,91,397	1,00,98,567

* Number of shares is presented as absolute number.

AETHER INDUSTRIES LIMITED Authorised * SURAT *

S. SHAH & ASSOCIATES M. No. 107596 SURAT.

(All amounts in Indian Rupees millions, unless otherwise stated)

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity shares

Equity shares

As to dividend	The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year.
As to repayment of capital	In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
As to voting	The Company has one class of shares referred to as Equity Shares having par value of Rs. 10/-. Each holder of the equity share is entitled to one vote per share.

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Number of Shares %	Number of Shares	Number of Shares %
Purnima Ashwin Desai	3,48,77,403	30.95%	51,50,269	51.00%
Ashwin Jayantilal Desai	67,20,417	5.96%	9,08,771	9.00%
Rohan Ashwin Desai	22,21,681	1.97%	20,09,613	19.90%
Aman Ashwin Desai	1,10,000	0.10%	13,00,912	12.88%
Aman Desai (HUF)	-	0.00%	7,13,802	7.07%
AJD Family Trust	1,35,60,206	12.03%	-	0.00%
PAD Family Trust	1,35,60,206	12.03%	-	0.00%
RAD Family Trust	2,00,17,162	17.76%	-	0.00%
AAD Business Trust	2,00,17,162	17.76%	-	0.00%

Promotors Shareholding in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Number of Shares %	Number of Shares	Number of Shares %
Purnima Ashwin Desai	3,48,77,403	30.95%	51,50,269	51.00%
Ashwin Jayantilal Desai	67,20,417	5.96%	9,08,771	9.00%
Rohan Ashwin Desai	22,21,681	1.97%	20,09,613	19.90%
Aman Ashwin Desai	1,10,000	0.10%	13,00,912	12.88%
Aman Desai (HUF)	-	0.00%	7,13,802	7.07%
Payal Rohan Desai	-	0.00%	10,000	0.10%
Ishita Surendra Manjrekar	-	0.00%	5,000	0.05%
Rohan Desai (HUF)	-	0.00%	100	0.00%
Ashwin Jayantilal Desai (HUF)	-	0.00%	100	0.00%
AJD Family Trust	1,35,60,206	12.03%	-	0.00%
PAD Family Trust	1,35,60,206	12.03%	-	0.00%
RAD Family Trust	2,00,17,162	17.76%	-	0.00%
AAD Business Trust	2,00,17,162	17.76%	-	0.00%

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BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107085 SURAT

AETHER INDUSTRIES LIMITED
Annexure VI - Notes to the financial information (continued)
(All amounts in Indian Rupees millions, unless otherwise stated)

19 Other equity	As at 31 March 2022	As at 31 March 2021
Reserves and surplus		
A. Retained earnings	1,720.29	1,407.72
B. Securities premium	1,015.73	234.62
C. Employee Share Option Reserve	5.96	-
	2,741.97	1,642.34

	As at 31 March 2022	As at 31 March 2021
A. Retained earnings		
Opening balance	1,407.72	697.17
Profit for the period / year	1,089.29	711.19
Less: Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)	(775.24)	
Other comprehensive (loss)/ income		
-Remeasurements of defined benefit liability / (asset) (net of tax)	(1.48)	(0.64)
Closing balance	1,720.29	1,407.72
B. Securities Premium		
As at beginning and end of the period/year	234.62	-
Add: Share Premium on conversion of Preference Shares into equity shares		234.62
Less: Utilized for the issue of Bonus Shares (Bonus Equity Shares issued in the Ratio 1:10)	(234.62)	-
Add: Preferential Allotment of Shares (1607160 Equity Shares of Rs. 10 each at a Premium of Rs. 623 per share)	1,015.73	
	1,015.73	234.62
C. Employee Share Option Reserve		
Opening balance	-	
Add: Additions during the year	5.96	
Less: Transferred to Securities Premium on exercise of stock options	-	
	5.96	-
	2,741.97	1,642.34

AETHER INDUSTRIES LIMITED Authorised * SURAT *

BIJU S. SHAH & ASSOCIATES * CHARTERED ACCOUNTANTS * M. No. 107086 SURAT.

1 Reporting Entity

Aether Industries Ltd (Aether) was incorporated on January 23, 2013 as a Public Limited Company under the Companies Act, 1956. It is engaged in the business of Specialty Chemicals and Intermediates. The products of the Company find application in various sectors like Pharmaceuticals, Agrochemicals, Specialty, Electronic Chemicals, Material Sciences, High Performance Photography etc. The CIN of the Company is U24100GJ2013PLC073434.

Between the year 2013 and early year 2015, the Promoters acquired a leased premise at GIDC Industrial Estate, Hojiwala, Sachin, Surat and established their Laboratory, Research & Development and Pilot Plant facilities. The Promoters realized at the conceptual stage itself that Specialty Chemicals is essentially a "Research & Knowledge" driven Industry, and identification of the 'Chemistries' and 'Technologies' before constructing the main plant, through Laboratory/R&D/Pilot facilities was a necessary pre-requisite. The period up to 2015 was hence utilized for installing Lab/R&D/Pilot Plants, developing several products/processes (up to Pilot stage), showcasing the Company's capabilities through various International Exhibitions/Conferences etc., effecting trial samples/supplies, facing rigorous audits from prospective International Buyers etc.

After meeting with a fair degree of success and acceptance from the targeted buyers, the Company acquired about 10500 Sq. Mtrs. of land at the GIDC Industrial Estate, Sachin, Surat in February 2015 for setting up its main plant. The plant stood commissioned as per schedule, and the first stream went into operations in October 2016 / November 2016. Meanwhile, certain modifications /up-gradations /automations were carried out during implementation.

The Company was able to carry on with the success with which they started of with the first Project which was ready by November 2016, by way of achieving total revenues of Rs. 248.60 million in FY 2016-17, Rs. 1091.90 million in FY 2017-18, Rs. 2,032.77 million in FY 2018-19, Rs. 3,037.81 million in FY 2019-20 and Rs. 4,537.89 million in FY 2020-21.

The Company, because of its continuous growth and increasing demands for the products, along with the necessity to launch new products for various applications, is once again planning for yet another expansion. For the said new expansion, the Company has procured a Plot of Land in GIDC Industrial Estate, admeasuring 5250 Sq. Mtrs. and the same is located diagonally opposite tot he current location of the Company. The new plot acquired by the Company is 8202/1 and the current one is 8203.

The Company achieved Sales Turnover of Rs. 5,900.47 million and Total Revenue of Rs. 5,970.21 million in 2021-22 with an EBITDA Margin of 29.33%.

Production capacity of 6096 MTPA (March 31, 2021: 6096 MTPA) is available in our state-of-art and DCS automated manufacturing facilities. Aether is also a leading CRAMS (contract research and manufacturing services) provider, built upon technology intensive and state-of-art R&D and pilot plant facilities. All of our R&D, pilot, CRAMS, and large scale manufacturing facilities are capable of switching between batch and continuous process technology.

Aether is based on a core competency model of cutting-edge chemistry and technology competencies.

Aether's business models include Large Scale Manufacturing of Speciality Chemicals, Contract Manufacturing and Contract Research And Manufacturing Services (CRAMS).

2 Summary of Significant Accounting Policies

The Ind AS Financial Statements comprise of the Audited Statement of Assets and Liabilities as at March 31, 2022 and as at March 31, 2021, the related Audited Ind AS Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended March 31, 2022 and March 31, 2021 respectively and the Significant Accounting Policies and Other Financial Information.

These Financial Statements have been prepared as required under the SEBI ICDR Regulations prepared in terms of the requirements of: (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"); (b) relevant provisions of the SEBI ICDR Regulations; and (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

2.1 Basis of preparation and presentation of financial statements

Compliance with Ind AS:
The Standalone Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2018 a the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

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A. Basis of Preparation:

(i) The Audited Ind AS Statement of Assets and Liabilities of the Company as at March 31, 2022 and March 31, 2021 respectively and the Audited Ind AS Statement of Profit and Loss, Audited Ind AS Statement of Changes in Equity and Audited Ind AS Statement of Cash Flows for the year ended March 31, 2022 and March 31, 2021 respectively (hereinafter collectively referred to as "Ind AS Financial Information") have been prepared as per the

(ii) The audited financial statements of the Company as at and for the year ended March 31, 2022 prepared in accordance with recognition and measurement principles under Indian Accounting Standard ('Ind AS') 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 16, 2022.

(iii) The audited special purpose Ind AS financial statements as at and for the year ended March 31, 2022 and March 31, 2021 each prepared in accordance with Ind AS. The management of the Company has adjusted financial information for the year ended March 31, 2022 and March 31, 2021 using recognition and measurement principles of Ind AS, on its first time adoption of Ind AS as on the transition date April 1, 2018, and has included such adjusted financial information as comparative financial information in the financial statements for the year ended March 31, 2022 and March 31, 2021. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented an explanation of how the transition to IND AS has affected the previously reported financial position, financial performance and cash flows (Refer Annexure VII).

The Board of Directors approved the Financial Statements as per the Ind AS, for the year ended on March 31, 2022 along with Financial Statements for the year ended March 31, 2021 and authorised to issue the same vide resolution passed in the Board Meeting held on June 16, 2022.

B. Basis of measurement:

The Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013. The exceptions to the same are:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and

- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of define benefit obligations.

C. Current and non-current classification of assets and liabilities:

The Assets and Liabilities and the Statement of Profit & Loss, including related notes, are prepared and presented as per the requirements of Schedule III (Division II) to the Companies Act, 2013. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

D. Functional and presentation currency:

The functional and presentation currency in these Financial Statements is INR and all amounts are rounded to nearest millions, up to 2 decimal places, unless otherwise stated

E. Use of judgements, estimates and assumptions:

The preparation of Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and the disclosure of the contingent liabilities on the date of the preparation of Financial Statements. Such estimates are on a reasonable and prudent basis considering all available information, however due to uncertainties about these judgements, estimates and assumptions, the actual results could differ from those estimates. Information about each of these estimates and judgements is included in relevant notes. Any revision to accounting estimates is recognised prospectively in current and future periods.

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Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Financial Statements is included in the following notes:

Note Nos. 42 & 43- classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment, assumptions and estimation uncertainties are provided here, whereas the quantitative break-ups for the same are provided in the notes mentioned below:

- Note 3 and Note 6 - Useful life of depreciable assets, Property, Plant and Equipment and Other Intangible Assets.
- Note 38 - Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 36 - Recognition of tax expenses including deferred tax.
- Note 45 - Defined benefit obligation, key actuarial assumptions.
- Note 12 - Impairment of trade receivables.
- Note 10 - Valuation of Inventories.

Going concern assumption:

These Financial Statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the various situations, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this Financial Statements. Based on this evaluation, management believes that the Company will be able to continue as a "going concern" in the foreseeable future and for a period of at least twelve months from the date of these Financial Statements based on the following:

- Expected future operating cash flows based on business projections, and
- Available credit facilities with its bankers

Based on the above factors, the management has concluded that the "going concern" assumption is appropriate. Accordingly, the Financial Statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

Reclassification:

The company reclassifies comparative amounts, unless impracticable and whenever the company changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

2.2 Property, Plant And Equipment:

Recognition and measurement:

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable import duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spares parts procured along with the Plant and Equipment or subsequently having value of Rs. 50,000 or more individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

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Subsequent costs:

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing the property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal:

An item of property, plant and equipment is derecognised upon the disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income / expenses in the statement of profit and loss.

Depreciation:

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

The management has estimated the useful life of the Tangible Assets as mentioned below:

Asset Class	Years
Factory Building	30
Other Building	10
Plant & Machinery	20
Plant & Machinery (Pipelines)	15
Office Equipment	5
Factory Equipment	10
Computer Equipment (Servers & Networks)	6
Computer Equipment (Others)	3
Other Equipment	10
Furniture & Fixtures	10
Vehicle Equipment	8

Impairments of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount, Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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BIRJU S. SHAH & ASSOCIATES M. No. 107086 SURAT. CHARTERED ACCOUNTANTS

2.3 **Intangible Assets:**

Recognition and measurement:

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually, either individually or at the cash-generating unit level.

Expenditure on Research activities is recognised in the statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

Subsequent measurement:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation:

The useful lives of intangible sets are assessed as either finite of indefinite.

Intangible assets i. e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life of the Intangible Assets as mentioned below:

Asset Class	Years
Software & Licenses	6
Trade Marks	4
Other Assets	4

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Disposal:

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 and loss when the asset is derecognized.

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2.4 Financial Assets:

A. Fair Value Assessment:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

B. Subsequent Measurement:

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

C. Financial assets measured at amortized cost:

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. 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 Statement of Profit And Loss. The losses arising from impairment are recognized in the Statement of Profit And Loss.

D. Financial assets at fair value through OCI ('FVTOCI'):

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit And Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

E. Financial assets at fair value through profit or loss ('FVTPL'):

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit And Loss.

F. Derecognition:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

G. Impairment of Financial Assets:

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

ECL is measured through a loss allowance on a following basis:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

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2.5 **Financial Liabilities:**

The Company's financial liabilities include trade payable.

A. Initial recognition and measurement:

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit And Loss.

B. Subsequent measurement:

The subsequent measurement of financial liabilities depends upon the classification as described below:-

a. Financial Liabilities classified as Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised 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. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit And Loss.

b. Financial Liabilities classified as Fair value through profit And loss (FVTPL):

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Exports benefits are accounted for in the year of exports based on the eligibility and when there is certainty of receiving the same.

C. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. 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 de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit And Loss.

D. 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.

Other incomes, other then interest and dividend are recognized when the same are due to be received and right to receive such other income is established.

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2.6 Share Capital and Share Premium:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

2.7 Dividend Distribution to equity shareholders:

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

2.8 Cash Flows and Cash and Cash Equivalents:

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

2.9 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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 costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

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2.10 Revenue Recognition and Other Income:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sale of goods is recognized, when the control is transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

2.11 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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 Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a sustentive substitution right, then the asset is not identified.

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 # the Company has the right to operate the asset; or
 # the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as a lessee:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets re determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lase payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to e payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change n an index or rate, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease being 79 years remaining as on the date of purchase.

Short-term leases and leases of low-value assets:

The Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease term of 12 months of less and leases of low-value assets. The Company recognises the lease payments associated with such leases as an expense on a straight-line basis over the lease term.

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2.12 Income Taxes:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the a tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be 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 asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.13 Current versus Non-Current classification:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in the 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.

b) A liability is current when:
- It is expected to be settled in the 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.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

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2.14 Employee benefits:

(i) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Undiscounted value of benefits such as salaries, incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

(ii) Long term benefits:

Defined Contribution Plans:

The Company contributes to the employee's approved provident fund scheme. The Company's contribution paid/payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

Defined Benefit Plans:

Gratuity Liability is a defined benefit obligation and is provided on the basis of an actuarial valuation model made at the end of the Financial Year. The Gratuity Liability is funded by the Company by maintaining the funds with a separate Asset Management Company, i. e., LIC of India. Contributions to such fund is charged to Profit & Loss Account. Actuarial Valuation of the Gratuity is done at the end of the Financial Year and accounted for accordingly.

2.15 Trade Receivables:

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered as doubtful.

2.16 Inventories:

(i) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.

(ii) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(iii) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.

(iv) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

2.17 Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost an other costs that an entity incurs in connection with the borrowings of the funds.

2.18 Earnings per share:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.19 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief Operating Decision Maker by the management of the Company.

2.20 Foreign currency transactions:

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monitory assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monitory items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

2.21 Government grants and subsidies:

Grants / subsidies that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

Export Incentives:

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.22 Recent accounting pronouncements:

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Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Financial Statements is required to be disclosed.

However, the Ministry of Corporate Affairs ("MCA") amended Schedule III of the Companies Act, 2013, through a notification dated March 24, 2021. The amendments revise Division I, II and II of Schedule III and are applicable from April 1, 2021. The Company has evaluated and given the effect of the amendments on its Financial Statements.

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Annexure VI - Notes to the financial information *(continued)*
(All amounts in Indian Rupees millions, unless otherwise stated)

3 **Property, plant and equipment**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2021	Additions	Disposals during the period	As at 31 March 2022	As at 01 April 2021	Charge for the period	Disposals during the period	As at 31 March 2022	As at 01 April 2021	As at 31 March 2022
Factory building	281.78	50.61	-	332.39	28.29	9.64	-	37.93	253.49	294.47
Other building	21.11	-	-	21.11	8.53	2.00	-	10.53	12.58	10.58
Plant and machinery	1,744.06	324.22	-	2,068.28	173.01	94.55	-	267.56	1,571.05	1,800.72
Office equipment	17.41	6.53	-	23.94	7.06	3.67	-	10.73	10.35	13.21
Factory equipment (electric)	174.62	33.41	-	208.03	28.97	18.27	-	47.24	145.65	160.79
Computer equipment	34.03	4.67	-	38.70	23.38	4.87	-	28.25	10.65	10.45
Other equipment	62.94	8.06	-	71.00	21.93	6.34	-	28.27	41.01	42.73
Furniture and fixtures	21.68	3.52	-	25.20	6.42	2.25	-	8.67	15.26	16.52
Vehicle equipment	6.23	1.72	-	7.95	1.29	0.85	-	2.14	4.94	5.81
Total	2,363.86	432.73	-	2,796.59	298.88	142.43	-	441.31	2,064.98	2,355.28

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2020	Additions	Disposals during the period	As at 31 March 2021	As at 01 April 2020	Charge for the period	Disposals during the period	As at 31 March 2021	As at 01 April 2020	As at 31 March 2021
Factory building	217.42	64.36	-	281.78	20.00	8.29	-	28.29	197.42	253.49
Other building	21.11	-	-	21.11	6.52	2.01	-	8.53	14.59	12.58
Plant & machinery	960.16	790.69	(6.79)	1,744.06	105.95	67.58	(0.52)	173.01	854.21	1,571.05
Office equipment	12.34	5.07	-	17.41	4.60	2.46	-	7.06	7.74	10.35
Factory equipment (electric)	87.57	87.05	-	174.62	17.59	11.38	-	28.97	69.98	145.65
Computer equipment	27.17	6.86	-	34.03	20.23	3.15	-	23.38	6.94	10.65
Other equipment	52.79	10.15	-	62.94	16.40	5.53	-	21.93	36.39	41.01
Furniture & fixtures	17.75	3.93	-	21.68	4.64	1.78	-	6.42	13.11	15.26
Vehicle equipment	6.15	0.08	-	6.23	0.56	0.73	-	1.29	5.59	4.94
Total	1,402.46	592.46	(0.62)	2,363.86	196.49	102.91	(0.52)	298.88	1,205.97	2,064.98

Title deeds of Immovable Properties not held in name of the Company:

Descriptions	As at 31 March 2022	As at 31 March 2021
Title deeds held in the name of	Aether Industries Limited	
Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	N.A.	

Refer note no. 20 and 22 for information on property, plant and equipment pledged as securities by the company

4 Capital work-in-progress

Particulars	As at 01 April 2021	Additions	Capitalised during the period	As at 31 March 2022
Capital work-in-progress	1.98	1,010.13	(434.69)	577.42
Total	1.98	1,010.13	(434.69)	577.42

Particulars	As at 01 April 2020	Additions	Capitalised during the period	As at 31 March 2021
Capital work-in-progress	172.27	800.62	(970.91)	1.98
Total	172.27	800.62	(970.91)	1.98

Additional disclosures as per Schedule -III requirement:

Amount in CWIP for a period of	Projects in Progress		Projects temporarily suspended	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Less than 1 Year	575.44	49.76	-	-
1-2 Years	1.98	0.66	-	-
2-3 Years	-	-	-	-
More than 3 Years	-	-	-	-
Total	577.42	50.42	-	-

5 Right-of-use assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2021	Additions	Disposals during the period	As at 31 March 2022	As at 01 April 2021	Charge for the period	Disposals during the period	As at 31 March 2022	As at 01 April 2021	As at 31 March 2022
Leasehold land	68.19	94.15	-	162.34	5.17	1.51	-	6.68	63.02	155.66
Properties (Land & Building)	38.47	35.87	-	74.34	9.75	9.04	-	18.79	28.72	55.55
Total Assets	106.66	130.02	-	236.68	14.92	10.55	-	25.47	91.74	211.21

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2020	Additions	Disposals during the period	As at 31 March 2021	As at 01 April 2020	Charge for the period	Disposals during the period	As at 31 March 2021	As at 01 April 2020	As at 31 March 2021
Leasehold land	68.19	-	-	68.19	4.31	0.86	-	5.17	63.88	63.02
Properties (Land & Building)	23.01	15.46	-	38.47	5.31	4.44	-	9.75	17.70	28.72
Total Assets	91.20	15.46	-	106.66	9.62	5.30	-	14.92	81.58	91.74

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6 Other intangibles assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2021	Additions	Deletions during the period	As at 31 March 2022	As at 01 April 2021	Charge for the period	Deletions during the period	As at 31 March 2022	As at 01 April 2021	As at 31 March 2022
Computer Software	11.35	0.59	-	11.94	5.89	1.83	-	7.72	5.46	4.21
Others	1.45	0.19	-	1.64	1.30	0.06	-	1.36	0.15	0.28
Total	12.80	0.78	-	13.58	7.19	1.90	-	9.09	5.61	4.49

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2020	Additions	Deletions during the period	As at 31 March 2021	As at 01 April 2020	Charge for the period	Deletions during the period	As at 31 March 2021	As at 01 April 2020	As at 31 March 2021
Computer Software	9.59	1.76	-	11.35	4.30	1.59	-	5.89	5.29	5.46
Others	1.45	-	-	1.45	0.99	0.31	-	1.30	0.46	0.15
Total	11.04	1.76	-	12.80	5.29	1.90	-	7.19	5.75	5.61

(All amounts in Indian Rupees millions, unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
7	**Investments**		
	Unquoted equity shares		
	3 (31 March 2021: 3) equity shares of Sachin Industrial Co. Op. Society Limited, of Rs.500 each fully paid-up	0.00	-
	1,16,851 (31 March 2021: 1,16,851) equity shares of Globe Enviro Care Limited, of Rs.10 each fully paid-up	2.09	2.09
		2.09	2.09
	Aggregate value of unquoted investments	2.09	2.09
	Aggregate amount of impairment in value of investments	-	-
8	**Others financial assets**		
	(Unsecured, considered good)		
	Security deposits	23.20	15.34
		23.20	15.34
9	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital advances	426.64	12.42
		426.64	12.42
10	**Inventories**		
	Raw material	450.01	392.82
	Work in progress	426.68	156.31
	Finished goods	549.57	115.06
	Stores and spares	52.77	48.54
	Others:		
	Packing materials	15.41	10.80
	Research and development materials	133.01	123.75
		1,627.44	847.28

Notes:

(1) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.

(2) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(3) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.

(4) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

(5) Inventories are pledge / hypothecated as primary security with the bankers (lenders) against the Working Capital Facilities availed by the Company.

		As at 31 March 2022	As at 31 March 2021
11	**Investments**		
	Investment in mutual funds - Quoted		
	28 (31 March 2021: 28) SBI Magnum Insta Cash Funds	0.14	0.13
	50,731.956 (31 March 2021: 68,545) Nippon India Money Market Fund	169.97	220.77
		170.11	220.90
	(a) Aggregate book value of quoted investments	170.11	220.90
	(b) Aggregate market value of quoted investments	170.11	220.90

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12 Trade receivables

Trade Receivables considered good - Secured	116.19	31.73
Trade Receivables considered good - Unsecured	1,518.62	1,049.78
Trade Receivables which have significant increase in credit risk		0.89
Trade Receivables - credit impaired	-	-
	1,634.80	1,082.40
Less: Allowance for doubtful receivables	-	-
Total trade receivables	1,634.80	1,082.40
The above amount includes:		
Receivable from related parties	-	-
Receivable from other than related parties	1,634.80	1,082.40
Total	1,634.80	1,082.40

The average credit period on sales of goods is 90 days. Payment terms vary from Advance Payments, LC for 60 to 90 Days, DA for 60 to 90 Days and open credits for 60 to 90 Days. No interest is charged on outstanding trade receivables.

As at 31 March 2022

Particulars	Outstanding for following periods from due date of Payment					
	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables - considered good	1,628.99	3.61	2.20	-	-	1,634.80
(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	-	-	-	-	-	-
	1,628.99	3.61	2.20	-	-	1,634.80

As at 31 March 2021

Particulars	Outstanding for following periods from due date of Payment					
	Less than 6	6 Months-	1-2 Years	2-3 Years	More than 3	Total
(i) Undisputed Trade Receivables - considered good	1,081.51	-	-	-	-	1,081.51
(ii) Undisputed Trade Receivables - which have significant increase in Credit risk	-	0.31	0.57	0.01	-	0.89
(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	-	-	-	-	-	-
	1,081.51	0.31	0.57	0.01	-	1,082.40

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	As at 31 March 2022	As at 31 March 2021
13 Cash and cash equivalents		
Cash in hand	0.98	0.39
Balances with banks		
Current accounts	0.01	0.15
EEFC accounts	32.40	34.60
	33.39	35.14
14 Bank balances other than cash and cash equivalents		
Other bank balances		
Margin Money - Fixed Deposits	25.05	20.49
Others - Fixed Deposits	121.72	-
(with maturity of more than 3 months but less than 12 months)		
	146.77	20.49
15 Loans		
Loans to employees*	8.36	7.92
	8.36	7.92
Breakup of security details		
Loans, considered good - secured	-	-
Loans, considered good - unsecured	8.36	7.92
Loans, considered doubtful / credit impaired	-	-
Total	8.36	7.92
Less: Loss allowance	-	-
Total loans receivables	8.36	7.92

*Loan to employees do not include any loan given to promoters, directors, KMPs and any other related parties.

	As at 31 March 2022	As at 31 March 2021
16 Other financial assets		
Security deposit	-	3.60
Interest receivable (from fixed deposits with banks)	0.36	0.36
Interest receivable	-	-
Gratuity asset (Refer note 45 for further disclosures)	2.34	1.75
Foreign exchange fluctuation	-	
	2.70	5.71
17 Other current assets		
Advances recoverable in cash	231.72	4.43
Balances with government authorities	172.43	98.78
Prepaid expenses	18.79	12.23
Other advances	51.39	-
	474.34	115.44

AETHER INDUSTRIES LIMITED
Authorised
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BIRJU S. SHAH & ASSOCIATES
M. No. 107086
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CHARTERED ACCOUNTANTS

(All amounts in Indian Rupees millions, unless otherwise stated)

20 Borrowings	As at 31 March 2022	As at 31 March 2021
Unsecured – measured at fair value through profit or loss account (FVTPL)		
Compulsorily Convertible Preference Shares (Refer to the Note No. 1 Below)	-	-
Secured		
Rupee Term Loans from Banks		
HDFC Bank Term Loan - Old	388.19	507.34
HDFC Bank Term Loan - New	472.79	-
HDFC Bank Term Loan - ECGLS	182.29	244.79
SBI Term Loan	137.05	228.55
SBI Term Loan New	36.74	55.17
Rupee Vehicle Loans from Banks		
HDFC Bank Car Loan	1.06	2.02
Others (Unsecured)		
From related parties (Directors & Promoters)	-	
	1,218.13	1,037.87

(1) 25,000,000 Compulsorily Convertible Preference Shares were issued on 25.01.2016 @ Rs. 10/- per share. At the time of issuance of these Preference Shares, there was a condition attached that these Preference Shares will be converted to Equity Shares anytime, after the completion of 4 years from the date of issue of such Preference Shares. There was fixed dividend of 8% attached at the time of issuance of the Preference Shares but later on the same was waived off by the Preference Shareholders at their own discretion. On 06.02.2021, all the 25,000,000 Preference Shares were converted to Equity Shares in the ratio of 1:16.251 i.e. for every 16.251 Preference Shares, the Shareholders received 1 Equity Share. The company has followed the due compliance with regulatory authorities.

(2) Reconciliation of Preference Shares:

Preference Share Capital	Amount (Rs.)
Balance as at 31 March 2021	-
Changes during the period	-
Balance as at 31 December 2021	-
Balance as at 31 March 2020	250.00
Changes during the year: Converted to Equity Shares	(250.00)
Balance as at 31 March 2021	-

(3) Details of Shareholders of Preference Shares:

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No of shares	% holding in the class	No of shares	% holding in the class
Preference Shares of Rs.10 each fully paid				
a) Rohan Ashwin Desai	-	-	-	-
b) Aman Desai (HUF)	-	-	-	-
c) Ashwin Jayantilal Desai	-	-	-	-

(4) Terms of Repayment, Nature of Security in case of Secured Loans:

Nature of Security	Terms of Repayment	Principal o/s. as at 31 December 2021	Principal o/s. as at 31 March 2021
1. HDFC Car Loan	From April 05, 2019 up to March 05, 2024 (60 instalments)	2.02	2.90
Hypothecation of Car			
2. SBI Term Loan	28 Quarterly Instalments of	228.45	319.95
#Secured by way of Hypothecation of movable and immovable assets of the Company as first pari passu charge #Personal Guarantees of all Promoters #Personal Properties of Promoters as Collateral Security # Rate of Interest as on March 31, 2022: 8.50% p. a.	Rs. 22.85 million each		
3. SBI Term Loan New	25 Quarterly Instalments of	55.14	73.57
#Same as per SBI Term Loan # Rate of Interest as on December 31, 2021: 8.50% p. a.	Rs. 4.60 million each		
4. HDFC Bank Term Loan	20 Quarterly Instalments of	508.19	597.34
#Same as per SBI Term Loan # Rate of Interest as on March 31, 2022: 7.20% p. a.	Rs. 30.00 million each		
5. HDFC Bank Term Loan - ECGLS	48 Quarterly Instalments of Rs. 5.21 million each	244.79	250.00
# Rate of Interest as on March 31, 2022: 6.90% p. a.			

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(All amounts in Indian Rupees millions, unless otherwise stated)

6. HDFC Bank Term Loan - New	20 Quarterly Instalments of Rs. 23.64 million each	472.79	-

Rate of Interest as on March 31, 2022: 6.25% p. a.

(5) Borrowings mentioned in the above note 20, along with note 22, amounting to Rs. 2,699.52 million were paid off subsequent to the Balance Sheet date out of the IPO Proceeds

		As at 31 March 2022	As at 31 March 2021
21	**Lease liabilities**		
	Lease liabilities	50.69	27.11
		50.69	27.11
22	**Borrowings**		
	Working capital loan (Refer note 1) Secured	890.16	712.54
	Current maturities of long term debt		
	Secured		
	Term loans from banks	292.30	205.01
	Vehicle loans from banks	0.96	0.88
	Unsecured		
	Working Capital Limits with HDFC Bank	300.00	-
	From related parties (Directors & Promoters)	149.20	125.70
		1,632.62	1,044.13

(1) The primary security for working capital loan is outstanding receivables and inventories. The collateral security provided is residential property of directors cum promotors located at 40, Jaldarshan Society, Umra, Surat of along with factory premise at 8203, Road No-8, GIDC, Sachin, Surat - 394 230 and premises at 8202/1, Road No-8, GIDC, Sachin, Surat - 394230. There is also charge created against two (40, Jaldarshan and 8203, GIDC) of these properties at ROC with SBI and HDFC banks.

(2) For details of terms of repayment and security for current maturities, refer note of non-current borrowings.

(3) Break-up of the Working capital loan:

Particulars		
Working Capital Limits with SBI	142.64	197.82
Working Capital Limits with HDFC Bank	742.71	509.71
Total outstanding	885.35	707.53
Foreign exchange valuation impact on PCFC loans	4.81	5.00
Foreign exchange valuation impact on Bill Discountings	-	-
Net outstanding	890.16	712.54

(4) Borrowings mentioned in the above note 22, along with note 20, amounting to Rs. 2,699.52 million were paid off subsequent to the Balance Sheet date out of the IPO Proceeds

23	**Lease liabilities**		
	Lease liabilities	5.85	3.56
		5.85	3.56
24	**Trade payables**		
	Trade payables		
	Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 39)	211.19	89.35
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	487.35	388.38
		698.54	477.73

Notes:
(1) Refer note 40 for related party disclosure.
(2) Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 90 days.

As at 31 March 2022

Particulars	Unbilled Dues	Outstanding for following periods Particulars from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	211.19	-	-	-	211.19
(ii) Others	-	486.39	0.89	0.07	-	487.35
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	697.58	0.89	0.07	-	698.54

As at 31 March 2021

Particulars	Unbilled Dues	Outstanding for following periods Particulars from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	89.35	-	-	-	89.35
(ii) Others	-	388.27	0.11	-	-	388.38
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	477.62	0.11	-	-	477.73

AETHER INDUSTRIES LIMITED
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(All amounts in Indian Rupees millions, unless otherwise stated)

25 Other financial liabilities

Employee related payable		
Salary and other benefits	19.41	14.84
Bonus payable	9.94	7.60
Other payables	1.65	0.13
Bills payable	0.22	12.10
Creditor for expenses	32.25	9.76
	63.46	44.43

26 Other current liabilities	As at 31 March 2022	As at 31 March 2021
Advance received from customers	4.28	34.47
Statutory dues payables	10.39	7.04
	14.67	41.51

27 Provisions

Gratuity (Refer note 45 for further disclosures)	-	-
	-	-

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(All amounts in Indian Rupees millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
28 Revenue from operations		
Sale of products		
Manufactured goods		
Local sales	2,087.12	1,985.69
Export sales	2,305.27	1,919.21
Deemed exports	1,031.36	238.37
Export sales - CRAMS	289.53	182.41
Domestic sales - CRAMS	4.73	-
Sale of services		
Export services	184.73	176.63
Domestic services	-	-
Total revenue from operations	5,902.73	4,502.31
Less: Rebate and discount	(2.26)	(4.15)
	5,900.47	4,498.16

Refer note no. 46 for further disclosures

	For the year ended 31 March 2022	For the year ended 31 March 2021
29 Other income		
Interest		
Interest on fixed deposits	4.64	1.00
Interest accrued on loans to employees	1.29	0.85
Interest on deposits	0.03	0.03
Others		
Foreign exchange fluctuation	18.37	18.32
Duty drawback - exports	5.14	2.92
MEIS duty credit	21.65	15.42
Income from mutual funds	3.22	-
Income accrued from mutual funds	0.00	0.79
Profit on sale of assets	-	0.02
Interest subsidy (term loan)	15.00	-
Misc. income	0.38	0.38
	69.74	39.73

Subsidies from the Government:
Subsidies from the Government are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the subsidies will be received or when actually will be received by the Company. Subsidies from the Government are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the subsidies are intended to compensate.
Subsidies from the Government that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they are received.

	For the year ended 31 March 2022	For the year ended 31 March 2021
30 Cost of materials consumed		
Raw Materials		
Opening	392.82	199.72
Add: Purchase	3,407.18	2,238.03
Add: Custom duty and clearing forwarding charges	71.80	87.21
Less: Discount on Purchase of Raw Material	(29.36)	-
	3,842.44	2,524.96
Closing	450.01	392.82
	3,392.43	2,132.14
Packing Materials		
Opening	10.80	6.59
Purchase	63.48	32.16
	74.28	38.75
Closing	15.41	10.80
	58.87	27.95
Stores & Spares		
Opening	48.54	26.47
Purchase	126.01	65.26
	174.55	91.73
Closing	52.77	48.54
	121.78	43.19
Other Material		
Opening	123.75	157.52
Purchase	21.39	12.11
	145.14	169.63
Closing	133.01	123.75
	12.13	45.88
	3,585.21	2,249.16

AETHER INDUSTRIES LIMITED Authorised SURAT

(All amounts in Indian Rupees millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
31 Changes in inventories of finished goods and work-in-progress		
Opening inventories		
Finished goods	115.06	181.28
Work-in-progress	156.31	147.81
Total (A)	271.37	329.09
Closing inventories		
Finished goods	549.57	115.06
Work-in-progress	426.68	156.31
Total (B)	976.25	271.37
Total (A-B)	(704.88)	57.72

32 Employee benefits expense

Salaries, wages and bonus	212.52	164.60
Contribution to gratuity	5.08	3.69
Contribution to provident fund	10.30	8.28
Contribution to provident fund - Admin Charges	0.46	0.34
Staff welfare expenses	23.73	18.84
Leave encashment expenses	5.14	2.85
Employee medical insurance expenses	2.37	1.91
ESOPs (Employee Benefit)	5.96	-
Other employee related expenses	4.89	20.62
	270.44	221.13

33 Finance costs

Interest on term loan	76.13	67.18
Interest on term loan - ECGLS	16.05	1.61
Interest on cash credit	6.16	10.58
Interest on PCFC	11.03	10.90
Interest on bill discounting	4.79	6.55
Interest on SLC	0.32	0.11
Interest on car loan	0.24	0.32
Interest on unsecured loans	-	1.00
Bank charges	11.83	12.18
Interest on financial liabilities at amortized cost	4.67	2.72
	131.21	113.15

34 Depreciation and amortisation expense

Depreciation of property, plant and equipment (refer note 3)	142.43	102.91
Amortisation of right-of-use asset (refer note 5)	10.55	5.30
Amortisation of intangible assets (refer note 6)	1.90	1.90
	154.87	110.11

AETHER INDUSTRIES LIMITED Authorised * SURAT *

BIRJU S. SHAH & ASSOCIATES M. No. 107086 SURAT CHARTERED ACCOUNTANTS

(All amounts in Indian Rupees millions, unless otherwise stated)

35 Other expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Manufacturing service cost expenses		
Power and fuel	303.82	138.91
Water charges	7.85	3.80
Other manufacturing costs	224.34	347.71
Administrative and general expenses		
Telephone and postage	2.34	3.05
Printing and stationery	1.20	0.75
Rent	1.23	7.32
Rates and taxes	5.93	8.40
Payment to statutory auditors (Refer note below)	0.60	0.45
Directors' sitting fees	2.52	0.33
Managerial remuneration	58.50	30.52
Repairs and maintenance expenses	38.86	33.67
Electricity expenses	214.84	129.64
Travelling expenses	2.63	2.66
Legal and professional expenses	28.78	17.74
Insurance expenses	21.32	13.21
Vehicle running expenses	5.94	6.16
Other administrative and general expenses	16.48	20.22
Selling and distribution expenses	108.47	64.09
Research and development expenses	1.33	8.24
Other expenses	21.66	11.69
	1,068.63	848.56

(a) Payment to auditors

Statutory audit fee	0.60	0.45
	0.60	0.45

AETHER INDUSTRIES LIMITED Authorised SURAT

BIRJU S. SHAH & ASSOCIATES M. No. 107086 SURAT. CHARTERED ACCOUNTANTS

(All amounts in Indian Rupees millions, unless otherwise stated)

36 Taxes

(a) **Statement of profit or loss**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
Current income tax charge	338.73	201.00
Deferred tax	36.72	25.87
Income tax expense reported in the statement of profit or loss	**375.44**	**226.87**

(b) **Other comprehensive income (OCI)**
Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax		
Remeasurements gains and losses on post employment benefits	(0.50)	(0.22)
Income tax recognised in OCI	**(0.50)**	**(0.22)**

(c) **Balance sheet**

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current tax assets	-	-
Current tax assets	-	-
Total tax assets	**-**	**-**

Current tax liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax (net of advance tax)	6.61	7.70
Total current tax liabilities	**6.61**	**7.70**

(d) **Deferred tax liabilities / (assets)**

Particulars	As at 31 March 2022	As at 31 March 2021
Excess of depreciation/amortisation on property plant and equipment under income tax act	139.50	102.58
Fair valuation of Mutual funds	0.00	(0.20)
Fair valuation of Security deposits	0.01	(0.01)
Amortization of processing fees on loan	(0.18)	(0.18)
Provision for employee benefits	(0.78)	0.45
Leases	0.25	(0.57)
Net deferred tax liability/(asset)	**138.79**	**102.07**

AETHER INDUSTRIES LIMITED Authorised SURAT

M. No. 107986 SURAT.

(All amounts in Indian Rupees millions, unless otherwise stated)

(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit before tax	1,464.73	938.06
Tax rate	25.17%	25.17%
Tax as per IT Act on above	368.64	236.09
Tax expenses (P&L)		
(i) Current tax	338.73	201.00
(ii) Deferred tax	36.72	25.87
(iii) Taxation in respect of earlier years		
	375.44	226.87
Tax expenses (OCI)	(0.50)	(0.22)
Difference	(6.30)	9.44
Tax reconciliation		
Adjustments:		
Effect of permanent adjustments	-	(9.13)
(i) Impact as a result of Tax Rate Change	-	-
(ii) Impact as a result of Capital Gains	0.15	-
(iii) Others	6.15	(0.31)
	-	-

(f) Movement in temporary differences:

	1 April 2021	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	31 December 2021
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	102.58	36.92	-	139.50
Fair valuation of Mutual funds	(0.20)	0.20	-	0.00
Fair valuation of Security deposits	(0.01)	0.02	-	0.01
Amortization of processing fees on loan	(0.18)	(0.00)		(0.18)
Provision for employee benefits	0.45	(0.73)	(0.50)	(0.78)
Leases	(0.57)	0.82	-	0.25
Net deferred tax liability/(asset)	102.07	37.22	(0.50)	138.79

	1 April 2020	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	31 March 2021
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	76.32	26.26	-	102.58
Fair valuation of Mutual funds	-	(0.20)	-	(0.20)
Fair valuation of Security deposits	(0.01)	-	-	(0.01)
Amortization of processing fees on loan	1.02	(1.20)	-	(0.18)
Provision for employee benefits	(0.22)	0.89	(0.22)	0.45
Leases	(0.69)	0.12	-	(0.57)
Net deferred tax liability/(asset)	76.42	25.87	(0.22)	102.07

AETHER INDUSTRIES LIMITED Authorised SURAT

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(All amounts in Indian Rupees millions, unless otherwise stated)

37 Earnings Per Share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profits attributable to equity shareholders		
Profit for basic earning per share of Rs. 10 each		
Profit for the period / year (in Rs.)	1,089.29	711.19
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the period / year	11,26,91,397	9,66,65,734
Basic EPS (Rs.)	9.67	7.36
Diluted Earnings Per Share		
Profit for diluted earning per share of Rs. 10 each		
Profit for the period / year (in Rs.)	1,089.29	711.19
Weighted average number of equity shares outstanding during the period / year	11,26,91,397	9,66,65,734
Diluted EPS (Rs.)	9.67	7.36

Weighted average number of equity shares for Basic Earnings Per Share	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning and at the end of the period*	1,00,98,567	9,41,62,200
Issued during the period	10,25,92,830	25,03,534
Weighted average number of equity shares outstanding during the period / year	11,26,91,397	9,66,65,734

Weighted average number of equity shares for Diluted Earnings Per Share	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning and at the end of the period*	1,00,98,567	9,41,62,200
Issued during the period	10,25,92,830	25,03,534
Weighted average number of equity shares outstanding during the period / year	11,26,91,397	9,66,65,734

38 **Contingent liabilities, contingent assets and commitments:**

Contingent liabilities

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Bank Guarantees issued for:			
Customs	INR	8.89	8.89
Gujarat Gas Ltd.	INR	15.35	6.43
DGVCL	INR	23.70	21.25
Total Margin for above items	INR	11.45	10.37
Raw Material LC	INR	-	-
Raw Material FLC	US$	2.94	0.82
Total Margin for above items	INR	13.10	10.12
Income Tax Demand:			
AY 2017-18 (PY: 2016-17)	INR	0.22	0.22
AY 2018-19 (PY: 2017-18)	INR	0.93	0.93
AY 2020-21 (PY: 2019-20)	INR	19.82	-

All the Contingent Liabilities listed above, which are outstanding as on current Balance Sheet date are not 100% secured through cash margins placed with the banks. Company is enjoying Bank Guarantee and LC Limit facilities from the banks, which require 15% Margin Money on Bank Guarantees and 15% Margin Money on LC Facilities. The Income Tax Demands are under appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

39 **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid to any supplier as at the end of the period/year		
Trade payables	211.19	89.35
Capital creditors	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the period/year		
Trade payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

AETHER INDUSTRIES LIMITED * SURAT * Authorised

BIRJU S. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS M. No. 107086 SURAT.

(All amounts in Indian Rupees millions, unless otherwise stated)

40 Related Party Disclosures

(a) List of Related Parties and description of relationship:

Entities where directors are interested :
Ashwin Jayantilal Desai (Managing Director)

Aether Foundation
Globe Enviro Care Limited

Purnima Ashwin Desai (Director)

Aether Foundation

Rohan Ashwin Desai (Director)
Aether Foundation

Kamalvijay Ramchandra Tulsiyan (Director)
J B Dyeing and Printing Mills Ltd.
Gujarat Enviro-Protection and Infrastructure Pvt. Ltd.
Navbharat Silk Mills Pvt. Ltd.
Pandesara Infrastructure Ltd
Surat Mega Textiles Processing Park Association

Jeevanlal Nagori (Director)
Tonira Pharma Ltd.
Avik Pharmaceuticals Ltd.
Ajanma Holdings Pvt Ltd.
IPCA Traditional Remedies Pvt. Ltd.
Transrail Lighting Ltd.

Ishita Surendra Manjrekar (Director)
Sunanda Speciality Coatings Pvt. Ltd
Sunworks Chemicals Pvt. Ltd.
Sunanda Global Outreach Foundation
Sunanda Smile Foundation

Key Management Personnel (KMP)

Name	Designation
Ashwin Jayantilal Desai	Managing Director
Purnima Ashwin Desai	Whole Time Director
Rohan Ashwin Desai	Whole Time Director
Aman Ashwin Desai	Whole Time Director
Faiz Arif Nagariya	Chief Financial Officer
Chitrarth Rajan Parghi	Company Secretary / Compliance Officer

Relative of Key Management Personnel

Name	Designation
Payal Rohan Desai	Spouse of Rohan
Kamalvijay Ramchandra HUF	HUF of Director - Kamalvijay Ramchandra Tulsian
Pramilaben Kamalvijay Tulsian	Spouse of Kamalvijay Tulsian

(b) Related party transactions:

Sr. no	Nature of Transaction	For the year ended 31 March 2022			For the year ended 31 March 2021		
		Promoters and their relatives	Companies Controlled by Directors / Relatives	Total	Promoters and their relatives	Companies Controlled by Directors / Relatives	Total
1	Rent Paid	9.60	-	9.60	8.75	-	8.75
2	Interest Paid	-	-	-	1.00	-	1.00
3	Loan accepted	23.50	-	23.50	15.01	-	15.01
4	Managerial Remuneration	58.50	-	58.50	29.58	-	29.58
5	Purchase of Consumables	-	0.08	0.08	-	0.32	0.32
6	Purchase of Material for Building & Structure	-	9.88	9.88	-	4.56	4.56
7	ETP Expenses	-	49.01	49.01	-	32.37	32.37
8	CSR Activities	-	7.85	7.85	-	4.61	4.61
9	Salary	10.52	-	10.52	4.55	-	4.55
		102.12	66.81	168.93	58.89	41.86	100.75

(c) Balances outstanding at the end of the period / year:-

Particulars	As at 31 March 2022	As at 31 March 2021
Rent payable	1.27	0.29
Interest payable	-	0.10
Managerial remuneration payable	2.36	3.22
Unsecured loans received	149.20	125.70
Salary Payable	0.31	0.25

During the above periods, the Company did not enter into any material transaction (as defined in the Company's policy on related party transactions) with related parties. All other transactions of the company with related parties were in the ordinary course of business and at an arm's length.

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

Particulars	As at 31 March 2022	As at 31 March 2021
Rent Paid		
Purnima Desai	-	1.35
Payal Desai	1.80	1.80
Ashwin Desai	1.80	0.90
Rohan Desai	1.20	0.50
Kamalvijay Ramchandra HUF	2.40	2.40
Pramilaben Kamalvijay Tulsian	2.40	1.80
Total	9.60	8.75
Managerial Remuneration		
Ashwin Desai	13.00	6.83
Purnima Desai	13.00	6.83
Rohan Desai	13.00	7.96
Aman Desai	19.50	7.96
Total	58.50	29.58
Transactions with Companies Controlled by Directors / Relatives		
Sunanda Speciality Coatings Pvt. Ltd. (Consumables)	0.08	0.32
Sunanda Speciality Coatings Pvt. Ltd. (Material for Building & Structure)	9.88	4.56
Globe Enviro Care Limited (ETP Expenses)	49.01	32.37
Aether Foundation (CSR Expenses)	7.85	4.61
Total	66.81	41.86
Loans Accepted		
Ashwin Jayantilal Desai	14.50	1.98
Purnima Ashwin Desai	-	1.60
Rohan Ashwin Desai	3.90	5.84
Aman Ashwin Desai	3.50	4.49
Aman Ashwin Desai (HUF)	(26.29)	-
Payal Rohan Desai	1.60	1.10
Ishita Manjrekar	26.29	-
Total	23.50	15.01
Salary Paid		
Payal Rohan Desai	6.50	4.55
Faiz Arif Nagariya	3.45	-
Chitrarth Rajan Parghi	0.57	-
Total	10.52	4.55

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41 Section 35(2AB) of Income Tax Act, 1961 Disclosure

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salary, Wages & Bonus		
Salary Expense	34.04	16.98
Overtime Wages	1.57	0.34
Employer's Contribution to PF	1.78	1.04
Employee Medical Insurance Expenses		
Employer's Contribution to ESI	0.49	0.15
Leave Encashment Expenses		
Leave Encashment Expenses	0.76	0.46
Other Employee Related Expenses		
Bonus	4.86	1.95
Managerial Remuneration		
Salaries to Directors	6.00	5.25
Bonus to Directors	0.68	0.44
Consumption of Material		
R&D Material	12.54	10.37
Power & Fuel		
Diesel Expenses	10.09	19.49
Repairs & Maintenance		
Plant & Machinery	2.07	1.68
Buildings	1.34	0.31
Others	1.15	0.07
Electricity Expenses		
Electricity Expenses	18.82	21.47
Vehicle Running Expenses		
Petrol & Other Expenses	0.49	0.28
Vehicle Repairing Expenses	0.16	0.20
Vehicle Hiring Charges	2.10	1.40
Rent, Rates & Taxes		
Rent	4.80	4.20
Other Administrative & General Expenses		
Security Expenses	1.51	1.58
Total Revenue Expenditure (A)	**105.27**	**87.66**
Capital Expenditure		
Buildings	29.87	3.05
Computers	1.19	0.49
Factory Equipment (Electric)	7.19	4.91
Furniture & Fixtures	0.08	0.02
Other Equipment (Lab)	3.97	2.57
Office Equipment	1.05	0.19
Plant & Machinery	88.16	67.19
Computer Software	0.22	0.40
CWIP	155.61	0.56
Total Capital Expenditure (B)	**287.34**	**79.38**
Total Expenditure (A) + (B)	**392.60**	**167.04**

Approval for registration of in-house R&D unit by Department of Science and Industrial Research (DSIR) was received vide letter dated 24th November 2020.
As the above note is for the discloser of requirements of Section 35(2AB) of the Income Tax Act, 1961, we have not considered Depreciation here.
The Section 35(2AB) was not applicable as on 30 September 2020, hence the information is not provided for the previous comparative period

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42 Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, 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 Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:
- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company'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 associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

(i) The company has not made any provision on expected credit loss on trade receivables and other financials assets, based on the management estimates.

(ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department within the Finance Department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from the operations.

Particulars	As at 31 March 2022	As at 31 March 2021
Total current assets (A)	4,097.90	2,335.28
Total current liabilities (B)	2,421.75	1,619.06
Working capital (A-B)	1,676.15	716.22
Current Ratio:	1.69	1.44

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Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at 31 March 2022			
		Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,850.75	1,632.62	1,218.13	2,850.75
Trade payables	698.54	697.58	0.89	698.48
Lease liabilities	56.54	5.85	50.69	56.54
Other liabilities	63.46	63.46	-	63.46

	As at 31 March 2021			
		Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,082.00	1,044.13	1,037.87	2,082.00
Trade payables	477.73	477.62	0.11	477.73
Lease liabilities	30.67	3.56	27.11	30.67
Other liabilities	44.43	44.43	-	44.43

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(c) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(1) Foreign currency risk:

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.

Following is outstanding foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at31 March 2022		As at 31 March 2021	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade receivables	8.88	672.71	6.51	475.26
Balance with banks - in EEFC accounts	0.85	32.40	0.47	33.96
	9.73	705.10	6.98	509.22

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(ii) Financial liabilities

Financial liabilities	As at31 March 2022		As at 31 March 2021	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade payable	0.53	40.16	0.98	72.14
	0.53	40.16	0.98	72.14

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

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(All amounts in Indian Rupees millions, unless otherwise stated)

(iii) Currency wise net exposure (Financial assets - Financial liabilities)

Currency wise net exposure (assets - liabilities)	As at31 March 2022		As at 31 March 2021	
Particulars	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD	9.20	664.94	6.00	437.08
Total	**9.20**	**664.94**	**6.00**	**437.08**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(iv) Sensitivity analysis

Particulars	Impact on profit/equity (1% strengthening)	
	31 March 2022	31 March 2021
USD	6.65	4.37
Total	**6.65**	**4.37**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

Particulars	Impact on profit/equity (1% weakening)	
	31 March 2022	31 March 2021
USD	(6.65)	(4.37)
Total	**(6.65)**	**(4.37)**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

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(2) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selection appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long term and short term) to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	2,399.52	1,953.40
Fixed rate borrowings	151.22	128.60
Total borrowings	**2,550.75**	**2,082.00**

Sensitivity analysis

Particulars	Impact on profit before tax / pre- tax equity	
	As at 31 March 2022	As at 31 March 2021
Increase by 50 basis points	(12.00)	(9.77)
Decrease by 50 basis points	12.00	9.77

43 Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	As at 31 March 2022	As at 31 March 2021
Total liabilities	3,829.37	2,786.11
Less: cash and cash equivalents and bank balances	180.16	55.63
Net debt	3,649.21	2,730.48
Total equity	3,868.88	1,743.33
Debt-equity ratio	0.94	1.57

(All amounts in Indian Rupees millions, unless otherwise stated)

44 Fair value measurements

(a) Categories of financial instruments -

Particulars	As at 31 March 2022					As at 31 March 2021				
	Carrying amount	Fair values				Carrying amount	Fair values			
		FVTPL	FVTPL	FVTOCI	Amortised cost		FVTPL	FVTPL	FVTOCI	Amortised cost
Category		Level 1	Level 3	Level 3	Level 2		Level 1	Level 3	Level 3	Level 2
Financial assets										
Trade receivables	1,634.80	-	-	-	1,634.80	1,082.40	-	-	-	1,082.40
Cash and cash equivalents	33.39	-	-	-	33.39	35.14	-	-	-	35.14
Other bank balances	146.77	-	-	-	146.77	20.49	-	-	-	20.49
Investment in mutual funds - Quoted	170.11	170.11	-	-	-	220.90	220.90	-	-	-
Investments in equity shares - Unquoted	2.09	-	-	2.09	-	2.09	-	-	2.09	-
Loans	8.36	-	-	-	8.36	7.92	-	-	-	7.92
Other financial assets	25.90	-	-	-	25.90	21.05	-	-	-	21.05
Total financial assets	**2,021.42**	**170.11**	**-**	**2.09**	**1,849.22**	**1,389.99**	**220.90**	**-**	**2.09**	**1,167.00**
Financial liabilities										
Borrowings	2,850.75	-	-	-	2,850.75	2,082.00	-	-	-	2,082.00
Trade payables	698.54	-	-	-	698.54	477.73	-	-	-	477.73
Other financial liabilities	120.00	-	-	-	120.00	75.10	-	-	-	75.10
Total financial liabilities	**3,669.29**	**-**	**-**	**-**	**3,669.29**	**2,634.83**	**-**	**-**	**-**	**2,634.83**

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortized cost approximates the fair value (except for which the fair values are mentioned). Investments in Mutual Funds which are designated at FVTPL & investment in shares which are classified as FVTOCI are at fair value.

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45 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under":

(i) Defined contribution plan - Provident fund and other funds

The company has recognized following amounts in the profit & loss account for the year/ period:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Provident fund		
Employer's Contribution	10.30	8.27
Administration charges	0.46	0.34
Employer's Contribution to ESI (Employee State Insurance)	2.37	1.91
	13.12	10.52

(ii) Defined benefit plan

1) The defined benefit plan comprises gratuity, which is funded.
2) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).
The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.
These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2022	As at 31 March 2021
Present Value of Benefit Obligation at the Beginning of the Period	17.43	11.74
Interest cost	1.19	0.80
Current service cost	5.20	3.69
Benefits paid	(0.67)	(0.48)
Actuarial (Gains)/Losses on Obligations		
- Due to Change in Demographic Assumptions	0.01	-
- Due to Change in Financial Assumptions	(1.53)	0.05
- Due to Experience	3.50	1.62
Present value of obligation at the end of the period / year	25.12	17.43

Changes in the fair value of plan assets are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the beginning of the period / year	19.18	11.69
Interest income	1.31	0.80
Contributions	7.65	6.36
Mortality charges and taxes	-	-
Benefits paid	(0.67)	(0.48)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	-	0.81
Fair value of Plan assets at end of the period / year	27.46	19.18

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Net interest cost for current period

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Present Value of Benefit Obligation at the Beginning of the Period	17.43	11.74
Fair Value of Plan Assets at the Beginning of the Period	(19.18)	(11.69)
Net Liability/(Asset) at the Beginning	(1.75)	0.05
Interest Cost	1.19	0.80
Interest Income	(1.31)	(0.80)
Net Interest Cost for Current Period	(0.12)	0.00

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	5.20	3.69
Net interest (Income)/ Expense	(0.12)	-
Net benefit expense	5.08	3.69

Amount recognised in the statement of other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Re-measurement for the year - obligation (gain) / loss	1.98	1.67
Re-measurement for the year - plan assets (gain) / loss	-	(0.81)
Total re-measurements cost / (credit) for the period / year recognised in other comprehensive income	1.98	0.86

Net Defined Benefit Liability/(Asset) for the period / year

Particulars	As at 31 March 2022	As at 31 March 2021
Defined Benefit Obligation	25.12	17.43
Fair value of plan assets	27.46	19.18
Closing net defined benefit liability/(asset)	(2.34)	(1.75)

Particulars	As at 31 March 2022	As at 31 March 2021
Current	(2.34)	(1.75)
Non-Current	-	-

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Assumptions

Particulars	As at 31 March 2022	As at 31 March 2021
	%	%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Discount rate	6.82%	6.84%
Rate of increase in compensation levels	8.00%	8.00%
Expected rate of return on plan assets	6.82%	6.84%
Withdrawal rate#		
Age up to 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

A quantitative sensitivity analysis for significant assumption as at 31 December 2021 & 31 March 2021 is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 March 2022		As at 31 March 2021	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in rate of discounting	(3.09)	3.79	(2.24)	2.77
Delta effect of 1% change in rate of salary increase	3.64	(3.08)	2.68	(2.23)
Delta effect of 1% change in rate of employee turnover	(0.41)	0.46	(0.41)	0.47

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected future benefit payments
The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Duration of defined benefit payments	31 December 2021	31 March 2021
1st Following Year	0.90	0.44
2nd Following Year	1.00	0.64
3rd Following Year	1.16	0.73
4th Following Year	1.23	0.84
5th Following Year	1.35	0.88
Sum of Years 6 To 10	7.35	4.89
Sum of Years 11 and above	75.50	50.53

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Note 46: Revenue from contracts with customers

(a) Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gross Sales (Contracted Price)	5,902.73	4,502.31
Reductions towards variable consideration (Discount & Delayed Delivery Charges)	(2.26)	(4.15)
Revenue recognised	5,900.47	4,498.16

The Company derives its revenue from contracts with customers for the transfer of goods and services at a point in time and over the period in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

(b) External revenue by Product Line

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
4'-Methyl-2-Cyanobiphenyl (OTBN)	243.51	620.76
4-(2-Methoxyethyl) Phenol (4MEP)	1,650.33	944.35
Thiophene-2-Ethanol (T2E)	668.10	682.15
1-Deoxy-1-(Octylamino)-D-Glucitol (NODG)	219.18	289.86
3-Methoxy-2-Methyllenzoyl Chloride (MMBC)	588.49	694.76
1-[2-(2-Hydroxyethoxy)Ethyl]Piperazine (HEEP)	225.03	182.43
2-Methoxy-6-Chlorotoluene (MCT)	190.75	176.80
Bifenthrin Alcohol (BFA)	623.15	-
Other Products	1,012.87	548.01
Revenue from products (Recognised at point in time) (A)	5,421.42	4,139.12
Service name		
CRAMS	479.05	359.04
Revenue from services (Recognised over the period) (B)	479.05	359.04
Grand Total (A) + (B)	5,900.47	4,498.16

(c) Revenue by Business Classification

Product Name	For the year ended 31 March 2022	For the year ended 31 March 2021
Large Scale Manufacturing	3,955.02	3,249.18
Contract Manufacturing	1,402.39	871.57
Contract Research And Manufacturing Services (CRAMS)	479.05	359.04
Others	64.00	18.37
Total revenue	5,900.47	4,498.16

(d) Revenue by Geographies / Regions:

Country / Region	For the year ended 31 March 2022	For the year ended 31 March 2021
India (including Deemed Exports)	3,116.22	2,219.91
India (SEZ)	351.72	380.84
Spain	504.96	389.57
Italy	533.57	725.30
USA	227.81	211.68
Germany	377.45	237.27
Belgium	65.17	43.84
China	90.17	28.73
Mexico	140.70	47.80
Switzerland	80.01	8.70
Israel	24.56	23.08
Taiwan	90.37	64.92
Netherlands	142.88	46.25
Japan	71.26	37.79
Romania	20.50	16.13
Others - Europe	63.15	16.35
Total revenue	5,900.47	4,498.16

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47 : Explanation of transition to Ind AS

These Ind AS financial statements, for the year ended March 31, 2022 are the first financial statements prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "Previous GAAP")

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2022 together with comparative period data as at and for the year ending on March 31, 2021 as described in the Basis of Preparation and Summary of Significant Accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2018 being the Company's date of transition to Ind AS.

The restated financial statements for the years ended March 31, 2022 were prepared in accordance with Ind AS complying with the requirements of SEBI Circular dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses issued by ICAI. For all the years the company has adopted the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date, i.e. 1 April 2018.

This note explains exemptions availed by the Company in restating its previous GAAP financial statements, including the balance sheet as at April 1, 2018 and the financial statements as at and for the year ended March 31, 2022.

A. Exemptions availed
Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has elected to apply the following exemptions:

1. Deemed cost : Property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in its Indian GAAP financials as deemed cost at the transition date.

2. Designation of previously recognised financial instruments

Financial assets and financial liabilities are classified at fair value based on facts and circumstances as at the date of transition to Ind AS. Financial assets and liabilities are recognised at fair value as at the date of transition to Ind AS i.e. 1 April 2018 and not from the date of initial recognition.

3. Leases

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the date of transition.

B. Exceptions applied

1. Estimates

The estimates at 1 April 2018 being the transition date and at March 31, 2022 are consistent with those made for the same dates in accordance with Indian GAAP. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1 April 2018 , the date of transition to Ind AS and as of March 31, 2022.

2. Derecognition of financial assets and liabilities

Ind AS 101, requires first-time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109, retrospectively from a date of the company's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transaction was obtained at the time of initial accounting of transactions.
The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from date of transition to Ind AS.

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets, on the basis of the facts and circumstances that exist at the transition date to Ind AS.

C. Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliations include-
i) Reconciliation of equity as at March 31, 2021
ii) Reconciliation of total comprehensive income for the period ended March 31, 2021;
There are no material adjustments to the cash flow statements.

D. Statement of reconciliation of total equity and profit and loss as per previous GAAP and Ind AS

Reconciliation of total equity as at March 31, 2021:

Particulars	Note	31 March 2021
Equity as per Indian GAAP		1,744.71
Adjustments to retained earnings		
Leases	C	(7.14)
Fair valuation of security deposit	b	(0.00)
Investment in mutual funds	c	0.82
Reclassification of preference shares into	d	-
Provision of gratuity	e	1.75
Transaction cost on borrowings	f	2.67
Deferred tax impact	g	0.52
Total of Ind AS adjustment to retained earnings		(1.38)
Equity as per Ind AS		1,743.33

AETHER INDUSTRIES LIMITED Authorised SURAT

M. No. 107085 SURAT

AETHER INDUSTRIES LIMITED
Annexure VI - Notes to the financial information (continued)
(All amounts in Indian Rupees millions, unless otherwise stated)
Reconciliation of total comprehensive income for the period ended March 31, 2021:

Particulars	Note	31 March 2021
Net profit as per Indian GAAP		710.22
Adjustments to net profit		
Leases	c	(2.04)
Fair valuation of security deposit	b	0.00
Investment in mutual funds	a	0.79
Provision of gratuity	d,e	2.66
Transaction cost on borrowings	g	(0.83)
Deferred tax impact	h	0.39
Total of Ind AS adjustments to net profit		0.98
Net Profit as per Ind AS		711.20
Adjustments to other comprehensive income		
Actuarial gains and losses (net of tax)	d	(0.86)
Deferred tax impact on investments	h	0.22
Total of Ind AS adjustments to other comprehensive income		(0.64)
Total comprehensive income as per Ind AS		710.55

Notes to the reconciliations:

a) Investment in mutual funds
Under Indian GAAP, long-term investments are valued at cost less provision for other than temporary diminution in the value of such investments. Under Ind AS, investment in mutual funds are classified as 'Fair value through profit and loss' are measured at fair value at each reporting date. The subsequent changes in the fair value of such investments are recognised in statement of profit and loss.

b) Interest-free security deposits (Assets)
Under Indian GAAP, security deposits are recorded at transaction value. Under Ind AS, security deposits given to lessors for leased premises have been fair valued and the difference between the fair value and the transaction value have been presented as a part of right-of-use assets. Right-of-use assets has been depreciated in the statement of profit and loss over the lease term. Interest income on security deposit is recorded using effective interest rate method.

c) Leases
Under Indian GAAP, leases are required to be classify leases as finance lease and operating lease. Operating lease expenses are recognised on a straight-line basis over the lease term. Under Ind AS, a single lessee accounting model is prescribed and requires a lessee to recognize assets and liabilities for all leases with a lease term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payment. Right-of-use asset is depreciated in the statement of profit and loss over the lease term. Interest expenditure on lease liabilities is recorded using effective interest rate method.

d) Employee benefit expenses - actuarial gains and losses and return on plan assets
Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss. Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.

e) Prior period adjustments
Under Indian GAAP, prior period items are included in determination of profit or loss of the period in which the item is discovered and are separately disclosed in the statement of profit and loss. Under Ind AS, material prior period items are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented by restating the opening balance sheet. Under Indian GAAP, the company did not take actuarial valuation of gratuity provision and its corresponding impact. However while restatement of financial information, impact of actuarial valuation of gratuity provision has been considered.

f) Liability - Preference shares
Under Indian GAAP, preference shares forms part of share capital. Under Ind AS, these preference shares are classified as borrowings (liability) and are subsequently measured at fair value profit or loss account (FVTPL).

g) Borrowings
Under Indian GAAP, transaction costs incurred in connection with borrowings are recognised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition of financial liability and charged to profit or loss using the effective interest method.

h) Income tax
Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Further under Ind AS, income tax is recognised in the same statement in which underlying item is recorded.

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M. No. 107??? SURAT.

(All amounts in Indian Rupees millions, unless otherwise stated)

48 : Leases

(a) For Right-of-use assets schedule - Please refer note 5

(b) Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current	5.85	3.56
Non Current	50.69	27.11
Total	56.54	30.67

(c) Interest expenses on lease liabilities

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on lease liabilities	4.67	2.72

(d) Expenses on short term leases / low value assets

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Short-term lease	1.23	7.08
Low value assets	0.00	0.24

(e) Amounts recognised in the statement of cash flow

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total cash outflow for leases	10.01	3.27

(f) Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	14.19	9.80
One to five years	57.75	46.51
More than five years	5.40	10.20
Total undiscounted lease liabilities	77.35	66.51

(g) Other notes
The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2018 is 9.50%.
Operating lease payable as per previous GAAP as at transition date is considered for calculation of lease liabilities under Ind AS 116.

(All amounts in Indian Rupees millions, unless otherwise stated)

49 Operating Segment

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sales Value		
India	3,467.93	2,219.91
Rest of the World	2,432.54	2,278.25
	5,900.47	4,498.16
Carrying amount of assets*		
India	962.10	607.14
Rest of the world	672.71	475.26
	1,634.80	1,082.40
*Segment assets represent trade receivables		
Additions to property, plant and equipment, right of use assets and intangible assets		
India	563.53	985.42
	563.53	985.42

(b) Information about major customers (External Customers):

The following is the transactions by the company with external customers individually contributing 10% or more of revenue from operations:

(i) For the period ended March 31, 2022, revenue from operations of one customer of the company represented approximately 12.10% of revenue from operations.
(ii) For the year ended March 31, 2021, revenue from operations of one customer of the company represented approximately 19.38% of revenue from operations.

50 Corporate social responsibility

As per the provisions of section 135 of Companies Act 2013, the Company was required to spend Rs. 12.19 million (March 31, 2021: Rs. 6.53 million). being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. However, the Company has spent Rs. 12.19 million (March 31, 2021: Rs. 6.53 million) towards Corporate Social Responsibility activities. Below are the details of the amount spent during the year :

Particulars	CSR activities	For the year ended 31 March 2022	For the year ended 31 March 2021
Aether Foundation	Promoting education in tribal and rural area	7.84	4.36
Friends of Tribal Society	Promoting education in rural area	-	0.66
Rogi Kalyan Samiti New Civil Hospital	Disaster management, including relief, rehabilitation and reconstruction activities (CoVID-19)	0.25	-
Kajorimal Basantilal Nagori Trust	Promoting education in rural area	0.50	-
Surat Manav Seva Sangh	Disaster management, including relief, rehabilitation and	1.00	-
Disable Welfare Trust of India	Provision of aid / facilities to senior citizens	-	0.10
Shree Jaganath Vruddhashram Trust	Provision of aid / facilities to senior citizens	-	0.20
Laado Sansthan	Contribution of various facilities for skill development for females	-	0.01
Sachin Vibhag Kelvani Mandal	Promoting education support	-	1.00
Provision of food to the needy during lock-down (CoVID-19)	Disaster management	-	0.20
Surat Raktadan Kendra and Research Centre	Preventive health-care measure	0.60	-
Nimar Abhyudaya Rural Management & Development Association	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and	1.00	-
Shree Mahavir Health and Medical Relief Society	Preventive health-care measure	1.00	-
	Total	12.19	6.53

51 Events subsequent to March 31, 2022

(a) The Company has issued new 20,24,921 Equity Shares of Rs. 10 each @ Rs. 642 per share (Rs. 632 per share being the Share Premium) on May 5, 2021 during the Pre-IPO stage

(b) The Company has issued new 97,66,355 Equity Shares of Rs. 10 each @ Rs. 642 per share (Rs. 632 per share being the Share Premium) on May 31, 2021 as fresh issue of Shares being part of the Initial Public Offer (IPO), which included 1,11,370 Equity Shares reserved for the eligible employees

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: June 16, 2022
ICAI UDIN: 22107086AKZYYJ3096

For and on behalf of the Board of Directors of
Aether Industries Limited

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: June 16, 2022

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: June 16, 2022

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: June 16, 2022

Chitrarth Parghi
Company Secretary
Mem. No.: A54033
Place: Surat
Date: June 16, 2022

(All amounts in Indian Rupees millions, unless otherwise stated)

52 Ratios as per the Schedule III requirements

(a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current Assets	4,097.90	2,335.28
Current Liabilities	2,421.75	1,619.06
Current Ratio (Times)	1.69	1.44
% Change from previous period / year	17.32%	

(b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Total Debt	2,850.75	2,082.00
Total Equity	3,868.88	1,743.33
Debt Equity Ratio (Times)	0.74	1.19
% Change from previous period / year	-38.30%	

(c) Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Particulars	As at 31 March 2022	As at 31 March 2021
Profit for the year	1,089.29	711.19
Add: Non cash operating expenses and finance cost	-	-
Depreciation and amortisation expense	154.87	110.11
Finance costs	131.21	113.15
Earnings available for debt services	1,375.37	934.45
Interest cost on borrowings	114.71	97.25
Principal repayments (including certain prepayments)	142.35	110.60
Total Interest and principal repayments	257.06	207.85
Debt Service Coverage Ratio (Times)	5.35	4.50
% Change from previous period / year	19.01%	

(d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	As at 31 March 2022	As at 31 March 2021
Profit for the year	1,089.29	711.19
Total Equity	3,868.88	1,743.33
Return on Equity Ratio (%)	28.16%	40.79%
% Change from previous period / year	-30.98%	

(e) Inventory Turnover Ratio = Closing Inventory divided by Cost of Material Consumed plus Changes in Inventory in to 365/366

Particulars	As at 31 March 2022	As at 31 March 2021
Cost of materials consumed	2,880.33	2,306.88
Closing Inventory	1,627.44	847.28
Inventory Turnover Ratio (Days)	206.23	134.06
% Change from previous period / year	53.84%	

(f) Trade receivables turnover ratio = Credit Sales divided by Closing Trade Receivables in to 365/366

Particulars	As at 31 March 2022	As at 31 March 2021
Credit Sales	5,900.47	4,498.16
Closing Trade Receivables	1,634.80	1,082.40
Trade Receivables Ratio (Days)	101.13	63.77
% Change from previous period / year	58.59%	

(g) Trade payables turnover ratio = Closing trade payables divided by Cost of Materials Consumed in to 365/366

Particulars	As at 31 March 2022	As at 31 March 2021
Cost of materials consumed	2,880.33	2,306.88
Closing Trade Payables	698.54	477.73
Trade Payables Turnover Ratio (Days)	88.52	75.59
% Change from previous period / year	17.11%	

(h) Net capital Turnover Ratio =Revenue from Operations divided by Net Working capital whereas net working capital= current assets - current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Revenue from operations	5,900.47	4,498.16
Net Working Capital	1,676.15	716.22
Net Capital Turnover Ratio (Times)	3.52	6.28
% Change from previous period / year	-43.95%	

(i) Net profit ratio = Net profit after tax divided by Revenue from operations.

Particulars	As at 31 March 2022	As at 31 March 2021
Profit for the year	1,089.29	711.19
Revenue from operations	5,900.47	4,498.16
Ratio (Times)	0.18	0.16
% Change from previous period / year	16.76%	

(j) Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Capital Employed- pre cash

Particulars	As at 31 March 2022	As at 31 March 2021
Profit/(Loss) before tax* (A)	1,464.73	938.06
Finance Costs* (B)	131.21	113.15
Other income* (C)	69.74	39.73
EBIT (D) = (A)+(B)-(C)	1,526.20	1,011.48
Capital Employed- Pre Cash (K)=(E)+(F)+(G)-(H)-(I)-(J)	6,369.36	3,548.80
Total Equity (E)	3,868.88	1,743.33
Non-Current Borrowings (F)	1,218.13	1,037.87
Current Borrowings (G)	1,632.62	1,044.13
Current Investments (H)	170.11	220.90
Cash and Cash equivalents (I)	33.39	35.14
Bank balances other than cash and cash equivalents (J)	146.77	20.49
Ratio (D)/(K) (%)	23.96%	28.50%
% Change from previous period / year	-15.93%	

AETHER INDUSTRIES LIMITED
Authorised
SURAT

BIRJU S. SHAH & ASSOCIATES

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Phone : (O) 91 99784 44603, (M) 91 98251 67067

Email :cabirjiushah@gmail.com, sarvam9@gmail.com

INDEPENDENT AUDITOR'S REPORT

To,
The Board of Directors
AETHER INDUSTRIES LIMITED,
Surat

I. Audit Report on the Special Purpose Standalone Ind AS Financial Statements

1. Opinion

A. We have audited the accompanying Special Purpose Standalone Ind AS Financial Statements of AETHER INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Special Purpose Standalone Ind AS Financial Statements").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Special Purpose Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the [Rules] made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Special Purpose Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Special Purpose Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Special Purpose Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Special Purpose Standalone Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Special Purpose Standalone Ind AS Financial Statements

A. The Company's management is responsible for preparation of these Special Purpose Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs, profit, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

B. In preparing the Special Purpose Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Special Purpose Standalone Ind AS Financial Statements

A. Our objectives are to obtain reasonable assurance about whether the Special Purpose Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards of Auditing issued by the institute of chartered accountants of India, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Standalone Ind AS Financial Statements.

B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the Special Purpose Standalone Ind AS Financial Statements, including the disclosures, and whether the Special Purpose Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

C. Materiality is the magnitude of misstatements in the special purpose standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in

i) planning the scope of our audit work and in evaluating the results of our work; and

ii) to evaluate the effect of any identified misstatements in the special purpose standalone financial statements.

D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Special Purpose Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account

D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014

E. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

F. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

G. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements;

ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Other Matters

1. Opening balance with respect to the financial information for the year ended 31 March 2021, included in these Special Purpose Standalone Ind AS financial statements, are based on audited special purpose financial statements for the year ended 31 March 2020, which has been approved by the Company's Board of Directors on 06.12.2021.

2. As our audit was conducted for a special purpose on a subsequent date to the period pertaining to these financial statements, we were unable to carry out regular audit procedures including physical verification of inventories, obtaining direct confirmations from debtors and certain other procedures. However, we have performed alternative procedures on these areas where we could not perform our regular audit procedures.

Our opinion is not modified in respect of this matter.

Basis of Accounting and Restriction on Distribution and Use

BIRJU S. SHAH & ASSOCIATES

113, INTERNATIONAL BUSINESS CENTRE, NR. BIG BAZAR,

PIPLOD, SURAT – 395 007.

Phone : (O) 91 99784 44603, (M) 91 98251 67067

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The financial statements are prepared solely to assist Aether Industries Limited to meet the requirements of preparation of Special Purpose Standalone Ind AS Financial Statements in connection with its initial public offer. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Aether Industries Limited for the purpose of its initial public offer.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration Number: 131554W

Proprietor
Membership No. 107086

Place: SURAT.
Date: 06.12.2021
UDIN: 21107086AAAAIW3617

BIRJU S. SHAH & ASSOCIATES

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ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of AETHER INDUSTRIES LTD for the year ended March 31, 2021.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) A. **Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;**

   Yes, all the Capital Assets have been properly recorded containing details of quantity, situation and all other relevant particulars from which particular Asset can be identified.

   B. **Whether the company is maintaining proper records showing full particulars of intangible assets;**

   Yes, the company is following proper harmonized system to record its Fixed Assets which demonstrate full particulars of the Assets.

   (b) **whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt within the books of account;**

   Yes, all the capitalized Assets are physically verified by the management.

   (c) **Whether the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company, If not, provide the details thereof in the format below:-**

   Yes, the Company has leasehold title of the plot No. 8203, GIDC Sachin, Surat in its name.

   (d) **Whether the Company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;**

   No, there is no any kind of revaluation in respect of Property, Plant and Equipment (including Right of Use assets) or intangible assets or both has been made during the year.

   (e) **Whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions(Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, whether the Company has appropriately disclosed the details in its financial statements;**

No, there is no any kind of such proceedings under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, have been initiated or are pending against the company till the audit period.

2. (a) Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account;

Yes, inventory (Including but not limited to Raw Material, Semi-Finished and Finished Goods) has been properly verified by the management at reasonable intervals. No any material discrepancies have been noticed during the course of audit.

(b) Whether during any point of time of the year, 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; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;

Yes, the company has been sanctioned working capital limit exceeding five crores and quarterly returns and statements are in conformity with the books of accounts of the Company.

3. Whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so,-

During the audit period, the Company has not made any investment in, provided any guarantee or security or granted, secure or unsecured, to companies, firms, LLP or any other parties. The company has a policy to give short term loans to the employees and proper documentation as well as policy of the company has been followed.

(a) Whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-

A. the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates;

This particular clause is not applicable to the company for the audit period.

B. the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;

This particular clause is not applicable to the company for the audit period.

(b) Whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees

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provided are not prejudicial to the company's interest;

This particular clause is not applicable to the company for the audit period.

(c) **In respect of loans and advances in the nature of loans whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;**

In respect of loans provided to the employees of the company, a proper schedule of the repayment of loan has been stipulated and repayment or receipts are regular.

(d) **If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;**

This particular clause is not applicable to the company for the audit period.

(e) **Whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [not applicable to companies whose principal business is to give loans];**

This particular clause is not applicable to the company for the audit period.

(f) **Whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013;**

This particular clause is not applicable to the company for the audit period.

4. **In respect of loans, investments, guarantees, and security, whether provisions of sections 185 and 186 of the Companies Act have been complied with, if not, provide the details thereof;**

Yes, the provisions of section 185 and 186 have been duly complied with.

5. **In respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made there under, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not;**

This particular clause is not applicable to the company for the audit period.

6. **Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act and whether such accounts and records have been**

so made and maintained;

Yes, the company has maintained proper cost records within the premises.

7 (a) **Whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;**

Yes, all the statutory dues including GST, PF, ESI, Income Tax, custom duty, excise duty, VAT etc. have been deposited at regular intervals during the audit period.

(b) **Where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute);**

There are appeals pending in income tax for the financial year 2017-18 and 2018-19. The disputed demand of Rs. 2,16,938/- for A.Y. 2017-18 and Rs.9,27,868/- for A.Y. 2018-19 are outstanding.

8. **Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year;**

No such instances have been found.

9. (a) **Whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below:-**

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*	*Remarks, if any*
	**lender wise details to be provided in case of defaults to banks, financial institutions and Government*				
NA	*NA*	-	-	-	-

(b) **Whether the company is a declared willful defaulter by any bank or financial institution or other lender;**

No.

(c) **Whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported;**

Yes, disbursed amount of sanctioned for term loans have been utilized for the purpose for which same has been sanctioned and obtained.

(d) **Whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated;**

No.

(e) **whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case;**

No, the company has not taken any fund for the stated purpose.

(f) **Whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;**

No, the company has not taken any fund for the stated purpose.

10. (a) **Whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised, if not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;**

No, the company has not raised any moneys by way of public offer or further public offer (Including debt instruments) during the year.

(b) **Whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance;**

The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. However, there was a conversion of Preference shares into Equity shares by the company amounting to Rs. 25 crores in the year. The provision of section 42 and 62 of the companies Act, 2013 has been duly complied with.

11. (a) **Whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated;**

No any kind of such instances has been noticed during the course of audit.

(b) **Whether any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;**

No.

(c) **Whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;**

No any kind of such instances has been noticed during the course of audit.

12. (a) **Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability;**

This particular clause is not applicable to the company for the audit period.

(b) **Whether the Nidhi Company is maintaining ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;**

This particular clause is not applicable to the company for the audit period.

(c) **Whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;**

This particular clause is not applicable to the company for the audit period.

13. Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;

Yes, the provisions of section 177 and 188 of the Companies Act, 2013 has been duly complied by the company and has also been duly disclosed in the financial statements as required by the AS 18.

14. (a) **Whether the company has an internal audit system commensurate with the size and nature of its business;**

Yes, the company has adequate internal audit system which commensurate with the size and nature of its business.

(b) **Whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;**

Yes, the internal auditor's report has been duly considered for statutory audit.

15. Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with;

The company has not entered into any non-cash transactions with any directors or persons connected with him.

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16. (a) **Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained;**

This particular clause is not applicable to the company for the audit period.

(b) **Whether the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;**

This particular clause is not applicable to the company for the audit period.

(c) **Whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria;**

This particular clause is not applicable to the company for the audit period.

(d) **Whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;**

This particular clause is not applicable to the company for the audit period.

17. **Whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses;**

No, the company has not incurred and cash losses in the financial year and in the immediately preceding financial year.

18. **Whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors;**

Yes, the previous auditor has resigned from the office in the last year. However, there is no any kind of issues, objections or concerns raised by the outgoing auditors.

19. **On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;**

Yes, as per the substantive analytical procedures, the company is in position to meet its liability exist on the date of balance sheet and when they fall due within a period of one year from the date of balance sheet.

20. (a) **Whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section**

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(5) of section 135 of the said Act;

Yes, the company has duly complied with the provisions of section 135 of the companies act, 2013.

(b) Whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;

This particular clause is not applicable to the company for the audit period.

21. Whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO Report containing the qualifications or adverse remarks.

This particular clause is not applicable to the company for the audit period.

For, Birju S. Shah & Associates

Chartered Accountants

ICAI Firm Registration Number: 131554W

Proprietor

Membership No. 107086

Place: SURAT

Place: **Surat**
Date: 06.12.2021.
UDIN: 21107086AAAAIW3617

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ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **AETHER INDUSTRIES LTD.** ("The Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Birju S. Shah & Associates
Chartered Accountants
ICAI Firm Registration Number: 131554W

Proprietor
Membership No. 107086
Place: SURAT.

Place : **Surat**
Date : 06.12.2021.
UDIN: 21107086AAAAIW3617

AETHER INDUSTRIES LIMITED

Annexure I - Restated Statement of Assets and Liabilities

(All amounts in Indian Rupees millions, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,064.98	1,205.97
Capital work-in-progress	4	1.98	172.27
Right-of-use assets	5	91.74	81.58
Other intangible assets	6	5.61	5.75
Financial assets			
(i) Investments	7	2.09	2.09
(ii) Other financial assets	8	15.34	20.24
Other non-current assets	9	12.42	38.68
Total non-current assets		2,194.16	1,526.78
Current assets			
Inventories	10	847.28	719.39
Financial assets			
(i) Investments	11	220.90	0.13
(ii) Trade receivables	12	1,082.40	629.70
(iii) Cash and cash equivalents	13	35.14	0.73
(iv) Bank balances other than (iii) above	14	20.49	35.27
(v) Loans	15	7.92	7.04
(vi) Other financial assets	16	5.71	0.60
Other current assets	17	115.44	85.02
Total current assets		2,335.28	1,477.89
Total assets		4,529.44	3,004.67
EQUITY & LIABILITIES			
Equity			
Equity share capital	18	100.99	85.60
Other equity	19	1,642.34	697.17
Total equity		1,743.33	782.77
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	1,037.87	950.98
(ii) Lease liabilities	21	27.11	15.94
Deferred tax liabilities (net)	36 (d)	102.07	76.42
Total non-current liabilities		1,167.05	1,043.34
Current liabilities			
Financial liabilities			
(i) Borrowings	22	1,044.13	753.91
(ii) Lease liabilities	23	3.56	2.54
(iii) Trade payables	24		
a) total outstanding dues of micro enterprises and small enterprises		89.35	49.80
b) total outstanding dues of creditors other than micro enterprises and small enterprises		388.38	333.77
(iv) Other financial liabilities	25	44.43	15.75
Other current liabilities	26	41.51	16.01
Provisions	27	-	0.05
Current tax liabilities (net)	36 (c)	7.70	6.73
Total current liabilities		1,619.06	1,178.56
Total liabilities		2,786.11	2,221.90
Total equity and liabilities		4,529.44	3,004.67

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII as per our report attached.

As per our report of even date attached

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: 6 December 2021
ICAI UDIN: 21107086AAAAIW3617

For and on behalf of Board of Directors of
Aether Industries Limited
CIN: U24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: 6 December 2021

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: 6 December 2021

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: 6 December 2021

Chitrarth Parghi
Company Secretary
Mem. No.: A54033
Place: Surat
Date: 6 December 2021

AETHER INDUSTRIES LIMITED
Annexure II - Restated Statement of Profit and Loss
(All amounts in Indian Rupees millions, unless otherwise stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	28	4,498.16	3,018.06
Other income	29	39.73	19.75
Total income		**4,537.89**	**3,037.81**
Expenses			
Cost of materials consumed	30	2,249.16	1,729.90
Changes in inventories of finished goods and work-in-progress	31	57.72	(168.35)
Employee benefits expense	32	221.13	133.76
Finance costs	33	113.15	93.76
Depreciation and amortisation expense	34	110.11	78.48
Other expenses	35	848.56	605.19
Total expenses		**3,599.83**	**2,472.74**
Profit before tax		**938.06**	**565.07**
Tax expense:	36		
Current tax		201.00	121.92
Deferred tax		25.87	43.59
Total Tax Expenses		**226.87**	**165.51**
Profit for the period (A)		**711.19**	**399.56**
Other comprehensive (loss)/ income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		(0.86)	(3.16)
(ii) Income tax relating to remeasurements of defined benefit liability / (asset)		0.22	0.92
		(0.64)	(2.24)
Total comprehensive income for the period (A+B)		**710.55**	**397.32**
Earnings per equity share			
(nominal value of Rs. 10)			
Basic	37	80.93	46.68
Diluted		80.93	46.68

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII as per our report attached.

As per our report of even date attached

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: 6 December 2021
ICAI UDIN: 21107086AAAAW3617

For and on behalf of the Board of Directors of
Aether Industries Limited
CIN: U24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: 6 December 2021

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: 6 December 2021

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN6514G
Place: Surat
Date: 6 December 2021

Chitrarth Parghi
Company Secretary
Mem. No.: A54033
Place: Surat
Date: 6 December 2021

AETHER INDUSTRIES LIMITED
Statement of changes in equity
(All amounts in Indian Rupees millions, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period / year	83,60,300	83.60	83,60,300	83.60
Changes in equity share capital during the period / year	15,31,367	15.31	-	-
Balance at the end of the reporting period / year	1,00,91,317	100.91	83,60,300	83.60

For any subsequent event changes relating to share capital, refer note number 51(a).

(b) Other equity

Particulars	Reserves and surplus		Total other equity
	Securities premium	Retained earnings	
Balance at 1 April 2019	-	319.68	319.68
Total comprehensive income for the year ended 31 March 2020			
Profit for the year	-	399.51	399.51
Other comprehensive income (net of tax)			-
- Remeasurements of defined benefit liability / (asset)	-	(2.24)	(2.24)
Total comprehensive income	-	397.28	397.28
Balance at 31 March 2020	-	697.17	697.17
Balance at 1 April 2020	-	697.17	697.17
Total comprehensive income for the year ended 31 March 2021			
Profit for the year	-	721.18	721.18
Other comprehensive income (net of tax)			-
- Remeasurements of defined benefit liability / (asset)	-	(0.61)	(0.61)
Total comprehensive income	-	720.55	720.55
Share premium on conversion of preference shares	724.62	-	724.62
Balance at 31 March 2021	724.62	1,407.72	2,[illegible].34

Nature and purpose of reserves

i) Retained earnings
Retained earnings comprises of undistributed earnings after taxes.

ii) Securities premium
Securities premium account is used to record the premium on issue of shares.

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial Information appearing in Annexure [illegible] and Statement of Adjustments to Audited Financial Statements appearing in Annexure [illegible] as per our report attached.

As per our report of even date attached.

For Rijul S. Shah & Associates
Chartered Accountants
Firm Registration No: [illegible]

Rijul S. Shah
Proprietor
Membership No: [illegible]

Place: Surat
Date: 6 December 2021
ICAI UDIN: [illegible]

For and on behalf of the Board of Directors of
[illegible] Limited
CIN: [illegible]

[illegible]
Managing Director
DIN: [illegible]
Place: Surat
Date: 6 December 2021

[illegible]
Whole Time Director
DIN: [illegible]
Place: Surat
Date: 6 December 2021

[illegible]
Chief Financial Officer
PAN: [illegible]
Place: Surat
Date: 6 December 2021

[illegible]
Company Secretary
Mem. No.: [illegible]
Place: Surat
Date: 6 December 2021

AETHER INDUSTRIES LIMITED

Annexure IV - Restated Statement of Cash Flows
(All amounts in Indian Rupees millions, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flow from operating activities		
Profit before tax	938.06	565.07
Adjustments to reconcile profit before tax to net cash flows:		
Net unrealised foreign exchange (gain)/loss	0.90	4.84
Finance costs	113.15	93.76
Interest income	(1.00)	(1.71)
Income from Mutual Funds	-	(0.15)
Depreciation and amortisation expenses	110.11	78.48
Unrealised foreign exchange differences	-	-
Operating profit before working capital changes	**1,161.22**	**740.29**
Movement in working capital:		
(Increase)/Decrease in trade receivables	(468.46)	(130.54)
(Increase) / Decrease in current investments	(220.77)	(0.01)
(Increase)/Decrease in inventories	(127.89)	(321.03)
(Increase)/Decrease in other current assets	(33.61)	(20.97)
(Increase)/Decrease in other financial assets	(1.09)	(0.91)
Increase/(Decrease) in trade payables	97.45	149.46
Increase/(Decrease) in provisions other than income tax	(0.91)	(9.11)
Increase/(Decrease) in other current liabilities	26.03	(103.81)
Cash generated from operations	431.97	309.37
Net income tax (paid)	(200.01)	(132.42)
Net cash from operating activities (A)	231.96	176.95
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(969.95)	(291.20)
Proceeds on sale/maturity of financial assets	-	0.15
Capital work in progress and capital advance	196.75	(190.78)
Dividend from current investments	1.00	1.71
Proceeds from disposal of property, plant and equipment	6.27	-
Loans (Financial assets)	-	-
Net cash used in investing activities (B)	(765.93)	(480.12)
C. Cash flows from financing activities		
Proceeds / (Repayment) from long-term borrowings	432.18	221.36
Proceeds / (Repayment) of borrowings (Unsecured)	15.10	20.20
Proceeds / (repayment) from working capital facilities (net)	194.06	183.45
Proceeds / (repayment) from/(of) short term borrowings	-	-
Proceeds / (repayment) of Other Financial liabilities	25.41	(5.08)
Interest paid	(113.15)	(93.77)
Net cash used in financing activities (C)	553.60	326.16
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	19.63	22.99
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the beginning of the period / year	36.00	13.01
Cash and cash equivalents at the end of the period / year	55.63	36.00

Notes:-

1. Cash and cash equivalents include		
Cash on hand	0.39	0.43
Balances with bank		
- Current accounts	0.15	0.13
- EEFC accounts	34.60	0.17
Other bank balances	20.49	35.27
	55.63	36.00

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

Significant non-cash movement in investing and financing activities

	For the year ended 31 March 2021	For the year ended 31 March 2020
Conversion of Preference Shares to Equity Shares	(250.00)	-
Foreign exchange fluctuations	(14.23)	16.60
Acquisition of Right-of-use assets with corresponding impact to lease liabilities	15.46	17.55

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII as per our report attached.

As per our report attached of even date

For Birju S. Shah & Associates
Chartered Accountants
Firm Registration No: 131554W

Birju S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: 6 December 2021
ICAI UDIN: 21107086AAAAIW3617

For and on behalf of the Board of Directors of
Aether Industries Limited
CIN: U24100GJ2013PLC073434

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: 6 December 2021

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: 6 December 2021

Faiz Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: 6 December 2021

Chitrarth Parghi
Company Secretary
Mem. No.: A54033
Place: Surat
Date: 6 December 2021

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(All amounts in Indian Rupees millions, unless otherwise stated)

18 Share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised :		
1,50,00,000 (31 March 2020: 1,00,00,000) equity shares of Rs.10 each.	150.00	100.00
2,50,00,000 (31 March 2020: 2,50,00,000) preference shares of Rs.10 each	250.00	250.00
TOTAL	400.00	350.00
Issued and subscribed and paid up:		
Equity share capital		
1,00,98,567 (31 March 2020: 85,60,200) equity shares of Rs.10 each fully paid-up	100.99	85.60
TOTAL	100.99	85.60

Reconciliation of number of shares outstanding at the beginning and end of the year/period :

Equity share :	As at 31 March 2021	As at 31 March 2020
	No. of Shares	No. of Shares
Outstanding at the beginning of the year/period	85,60,200	85,60,200
Add: Issued during the period	15,38,367	-
Outstanding at the end of the year/period	1,00,98,567	85,60,200

* Number of shares is presented as absolute number

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(All amounts in Indian Rupees millions, unless otherwise stated)

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity shares

Equity shares

As to dividend	The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year.
As to repayment of capital	In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
As to voting	The Company has two class of shares referred to as Equity Shares and Preference Shares having a par value of Rs. 10/-. Each holder of the equity share is entitled to one vote per share.

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	No. of Shares %	No. of Shares	No. of Shares %
Purnima Ashwin Desai	51,50,269	51.00%	85,15,000	99.47%
Ashwin Jayantilal Desai	9,08,771	9.00%		
Rohan Ashwin Desai	20,09,613	19.90%		
Aman Ashwin Desai	13,00,912	12.88%		
Aman Desai (HUF)	7,13,802	7.07%		

Promotors Shareholding in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	No. of Shares %	No. of Shares	No. of Shares %
Purnima Ashwin Desai	51,50,269	51.00%	85,15,000	99.47%
Ashwin Jayantilal Desai	9,08,771	9.00%	15,000	0.18%
Rohan Ashwin Desai	20,09,613	19.90%	5,000	0.06%
Aman Ashwin Desai	13,00,912	12.88%	10,000	0.12%
Aman Desai (HUF)	7,13,802	7.07%	-	0.00%
Payal Rohan Desai	10,000	0.10%	10,000	0.12%
Ishita Surendra Manjrekar	5,000	0.05%	5,000	0.06%
Rohan Desai (HUF)	100	0.00%	100	0.00%
Ashwin Jayantilal Desai (HUF)	100	0.00%	100	0.00%

(All amounts in Indian Rupees millions, unless otherwise stated)

19 **Other equity**

	As at 31 March 2021	As at 31 March 2020
Reserves and surplus		
A. Retained earnings	1,407.72	697.17
B. Securities premium	234.62	-
	1,642.34	697.17

	As at 31 March 2021	As at 31 March 2020
A. Retained earnings		
Opening balance	697.17	299.85
Profit for the period / year	711.19	399.56
Other comprehensive (loss)/ income		
-Remeasurements of defined benefit liability / (asset) (net of tax)	(0.64)	(2.24)
Closing balance	1,407.72	697.17
B. Securities Premium		
As at beginning and end of the period/year	-	-
Add: Share Premium on conversion of Preference Shares into equity shares	234.62	-
	234.62	-
	1,642.34	697.17

1 Reporting Entity

Aether Industries Ltd (Aether) was incorporated on January 23, 2013 as a Public Limited Company under the Companies Act, 1956. It is engaged in the business of Specialty Chemicals and Intermediates. The products of the Company find application in various sectors like Pharmaceuticals, Agrochemicals, Specialty, Electronic Chemicals, Material Sciences, High Performance Photography etc. The CIN of the Company is U24100GJ2013PLC073434.

Between the year 2013 and early year 2015, the Promoters acquired a leased premise at GIDC Industrial Estate, Hojiwala, Sachin, Surat and established their Laboratory, Research & Development and Pilot Plant facilities. The Promoters realized at the conceptual stage itself that Specialty Chemicals is essentially a "Research & Knowledge" driven industry, and identification of the 'Chemistries' and 'Technologies' before constructing the main plant, through Laboratory/R&D/Pilot facilities was a necessary pre-requisite. The period up to 2015 was hence utilized for installing Lab/R&D/Pilot Plants, developing several products/processes (up to Pilot stage), showcasing the Company's capabilities through various International Exhibitions/Conferences etc., effecting trial samples/supplies, facing rigorous audits from prospective International Buyers etc.

After meeting with a fair degree of success and acceptance from the targeted buyers, the Company acquired about 10500 Sq. Mtrs. of land at the GIDC Industrial Estate, Sachin, Surat in February 2015 for setting up its main plant. The plant stood commissioned as per schedule, and the first stream went into operations in October 2016 / November 2016. Meanwhile, certain modifications /up-gradations /automations were carried out during implementation.

The Company was able to carry on with the success with which they started of with the first Project which was ready by November 2016, by way of achieving total revenues of Rs. 248.60 million in FY 2016-17, Rs. 1091.90 million in FY 2017-18, Rs. 2,011.80 million in FY 2018-19 and Rs. 3,018.61 million in FY 2019-20.

The Company achieved Sales Turnover of Rs. 4,498.16 and Total Revenue of Rs. 4,537.89 million in the FY 2020-21 with an EBIDTA Margin of 25.59%.

The Company, because of its continuous growth and increasing demands for the products, along with the necessity to launch new products for various applications, is once again planning for yet another expansion. For the said new expansion, the Company has procured a Plot of Land in GIDC Industrial Estate, admeasuring 5250 Sq. Mtrs. and the same is located diagonally opposite tot he current location of the Company. The new plot acquired by the Company is 8202/1 and the current one is 8203.

Production capacity of 6096 MTPA (31 March 2020: 4128 MTPA) is available in our state-of-art and DCS automated manufacturing facilities. Aether is also a leading CRAMS (contract research and manufacturing services) provider, built upon technology intensive and state-of-art R&D and pilot plant facilities. All of our R&D, pilot, CRAMS, and large scale manufacturing facilities are capable of switching between batch and continuous process technology.

Aether is based on a core competency model of cutting-edge chemistry and technology competencies.

Aether's business models include Large Scale Manufacturing of Speciality Chemicals, Contract Manufacturing and Contract Research And Manufacturing Services (CRAMS).

2 Summary of Significant Accounting Policies

The Restated Financial Statements comprise of the Restated Statement of Assets and Liabilities as at 31 March 31, 2021, the related Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Changes in Equity, and the Restated Statement of Cash Flows for the year ended 31 March 2021and the Significant Accounting Policies and Restated Other Financial Information.

These Restated Financial Statements have been prepared as required under the SEBI ICDR Regulations for the purpose of inclusion in this Draft Red Herring Prospectus, prepared in terms of the requirements of: (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"); (b) relevant provisions of the SEBI ICDR Regulations; and (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

2.1 Basis of preparation and presentation of financial statements

Compliance with Ind AS:
The Standalone Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2018 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

A. **Basis of Preparation:**

(i) The Restated Ind AS Statement of Assets and Liabilities of the Company as at 31 March 2021and the Restated Ind AS Statement of Profit and Loss, Restated Ind AS Statement of Changes in Equity and Restated Ind AS Statement of Cash Flows for the year ended 31 March 2021 (hereinafter collectively referred to as "Restated Ind AS Financial Information") have been prepared specifically for inclusion in the Draft Red Herring Prospectus (DRHP) to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering ("IPO") through Offer for Sale of its equity shares.

(ii) The audited special purpose Ind AS financial statements as at and for the year ended 31 March 2021each prepared in accordance with Ind AS. The management of the Company has adjusted financial information for the year ended 31 March 2021 using recognition and measurement principles of Ind AS, on its first time adoption of Ind AS as on the transition date April 1, 2018, and has included such adjusted financial information as comparative financial information in the financial statements for the year ended 31 March 2021. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented an explanation of how the transition to IND AS has affected the previously reported financial position, financial performance and cash flows (Refer Annexure VII).

The Board of Directors approved the Restated Financial Statements as per the Ind AS, for the year ended on 31 March 2021 and authorised to issue the same vide resolution passed in the Board Meeting held on December 6, 2021.

B. **Basis of measurement:**

The Restated Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013. The exceptions to the same are:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and

- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of define benefit obligations.

C. **Current and non-current classification of assets and liabilities:**

The Assets and Liabilities and the Statement of Profit & Loss, including related notes, are prepared and presented as per the requirements of Schedule III (Division II) to the Companies Act, 2013. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

D. **Functional and presentation currency:**

The functional and presentation currency in these Restated Financial Statements is INR and all amounts are rounded to nearest millions, up to 2 decimal places, unless otherwise stated.

E. **Use of judgements, estimates and assumptions:**

The preparation of Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and the disclosure of the contingent liabilities on the date of the preparation of Financial Statements. Such estimates are on a reasonable and prudent basis considering all available information, however due to uncertainties about these judgements, estimates and assumptions, the actual results could differ from those estimates. Information about each of these estimates and judgements is included in relevant notes. Any revision to accounting estimates is recognised prospectively in current and future periods.

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Judgements:
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Financial Statements is included in the following notes:

Note Nos. 42 & 43- classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties:
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment, assumptions and estimation uncertainties are provided here, whereas the quantitative break-ups for the same are provided in the notes mentioned below:

- Note 3 and Note 5 - Useful life of depreciable assets, Property, Plant and Equipment and Other Intangible Assets.
- Note 38 - Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 36 - Recognition of tax expenses including deferred tax.
- Note 45 - Defined benefit obligation, key actuarial assumptions.
- Note 12 - Impairment of trade receivables.
- Note 10 - Valuation of inventories.

Going concern assumption:
These Restated Financial Statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the various situations, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this Financial Statements. Based on this evaluation, management believes that the Company will be able to continue as a "going concern" in the foreseeable future and for a period of at least twelve months from the date of these Financial Statements based on the following:

- Expected future operating cash flows based on business projections, and
- Available credit facilities with its bankers

Based on the above factors, the management has concluded that the "going concern" assumption is appropriate. Accordingly, the Financial Statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

Reclassification:
The company reclassifies comparative amounts, unless impracticable and whenever the company changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

2.2 Property, Plant And Equipment:
Recognition and measurement:
The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable import duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spares parts procured along with the Plant and Equipment or subsequently having value of Rs. 50,000 or more individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

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Subsequent costs:
The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing the property, plant and equipment are recognised in the statement of profit and loss as incurred.

Disposal:
An item of property, plant and equipment is derecognised upon the disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income / expenses in the statement of profit and loss.

Depreciation:
The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

The management has estimated the useful life of the Tangible Assets as mentioned below:

Asset Class	Years
Factory Building	30
Other Building	10
Plant & Machinery	20
Plant & Machinery (Pipelines)	15
Office Equipment	5
Factory Equipment	10
Computer Equipment (Servers & Networks)	6
Computer Equipment (Others)	3
Other Equipment	10
Furniture & Fixtures	10
Vehicle Equipment	8

Impairments of non-financial assets:
The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount, Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.3 **Intangible Assets:**

Recognition and measurement:

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually, either individually or at the cash-generating unit level.

Expenditure on Research activities is recognised in the statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

Subsequent measurement:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation:

The useful lives of intangible sets are assessed as either finite of indefinite.

Intangible assets i. e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life of the Intangible Assets as mentioned below:

Asset Class	Years
Software & Licenses	6
Trade Marks	4
Other Assets	4

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Disposal:

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 and loss when the asset is derecognized.

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2.4 Financial Assets:

A. Fair Value Assessment:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

B. Subsequent Measurement:

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

C. Financial assets measured at amortized cost:

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. 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 Statement of Profit And Loss. The losses arising from impairment are recognized in the Statement of Profit And Loss.

D. Financial assets at fair value through OCI ('FVTOCI'):

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit And Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

E. Financial assets at fair value through profit or loss ('FVTPL'):

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit And Loss.

F. Derecognition:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

G. Impairment of Financial Assets:

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

ECL is measured through a loss allowance on a following basis:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

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2.5 **Financial Liabilities:**

The Company's financial liabilities include trade payable.

A. **Initial recognition and measurement:**

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit And Loss.

B. **Subsequent measurement:**

The subsequent measurement of financial liabilities depends upon the classification as described below:-

a. **Financial Liabilities classified as Amortised Cost:**

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised 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. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit And Loss.

b. **Financial Liabilities classified as Fair value through profit And loss (FVTPL):**

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Exports benefits are accounted for in the year of exports based on the eligibility and when there is certainty of receiving the same.

C. **Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. 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 de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit And Loss.

D. **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.

Other incomes, other then Interest and dividend are recognized when the same are due to be received and right to receive such other Income is established.

2.6 Share Capital and Share Premium:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

2.7 Dividend Distribution to equity shareholders:

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

2.8 Cash Flows and Cash and Cash Equivalents:

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

2.9 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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 costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

2.10 Revenue Recognition and Other Income:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from sale of goods is recognized, when the control is transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

2.11 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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 Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a sustentive substitution right, then the asset is not identified.

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
the Company has the right to operate the asset; or
the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as a lessee:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets re determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lase payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to e payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change n an index or rate, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease being 79 years remaining as on the date of purchase.

Short-term leases and leases of low-value assets:

The Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease term of 12 months of less and leases of low-value assets. The Company recognises the lease payments associated with such leases as an expense on a straight-line basis over the lease term.

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2.12 Income Taxes:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the a tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the
accounting profit nor taxable profit or loss,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be 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 asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.13 Current versus Non-Current classification:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in the 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.

b) A liability is current when:
- It is expected to be settled in the 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.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

2.14 Employee benefits:

(i) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Undiscounted value of benefits such as salaries, incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

(ii) Long term benefits:

Defined Contribution Plans:

The Company contributes to the employee's approved provident fund scheme. The Company's contribution paid/payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

Defined Benefit Plans:

Gratuity Liability is a defined benefit obligation and is provided on the basis of an actuarial valuation model made at the end of the Financial Year. The Gratuity Liability is funded by the Company by maintaining the funds with a separate Asset Management Company, i. e., LIC of India. Contributions to such fund is charged to Profit & Loss Account. Actuarial Valuation of the Gratuity is done at the end of the Financial Year and accounted for accordingly.

2.15 Trade Receivables:

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered as doubtful.

2.16 Inventories:

(i) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.

(ii) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(iii) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.

(iv) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

2.17 Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost an other costs that an entity incurs in connection with the borrowings of the funds.

2.18 Earnings per share:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.19 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief Operating Decision Maker by the management of the Company.

2.20 Foreign currency transactions:

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monitory assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monitory items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

2.21 Government grants and subsidies:

Grants / subsidies that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

Export Incentives:

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.22 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Financial Statements is required to be disclosed.

However, the Ministry of Corporate Affairs ("MCA") amended Schedule III of the Companies Act, 2013, through a notification dated March 24, 2021. The amendments revise Division I, II and II of Schedule III and are applicable from April 1, 2021. The Company is in the process of evaluating the effect of the amendments on its Financial Statements.

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Annexure VI - Notes to the restated financial information *(continued)*
(All amounts in Indian Rupees millions, unless otherwise stated)

5 Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2020	Additions	Disposals during the year	As at 31 March 2021	As at 01 April 2020	Charge for the year	Disposals during the year	As at 31 March 2021	As at 01 April 2020	As at 31 March 2021
Factory building	217.42	64.36	-	281.78	20.00	8.29	-	28.29	197.42	253.49
Other building	21.11	-	-	21.11	6.52	2.01	-	8.53	14.59	12.58
Plant & machinery	960.16	790.69	(6.79)	1,744.06	105.95	67.58	(0.52)	173.01	854.21	1,571.05
Office equipment	12.34	5.07	-	17.41	4.60	2.46	-	7.06	7.74	10.35
Factory equipment (electric)	87.57	87.05	-	174.62	17.59	11.38	-	28.97	69.98	145.65
Computer equipment	27.17	6.86	-	34.03	20.23	3.15	-	23.38	6.94	10.65
Other equipment	52.79	10.15	-	62.94	16.40	5.53	-	21.93	36.39	41.01
Furniture & fixtures	17.75	3.93	-	21.68	4.64	1.78	-	6.42	13.11	15.26
Vehicle equipment	6.15	0.08	-	6.23	0.56	0.73	-	1.29	5.59	4.94
Total	1,402.46	968.19	(6.79)	2,363.86	196.49	102.91	(0.52)	298.88	1,205.97	2,064.98

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2019	Additions	Disposals during the year	As at 31 March 2020	As at 01 April 2019	Charge for the year	Disposals during the year	As at 31 March 2020	As at 01 April 2019	As at 31 March 2020
Factory building	209.42	8.00	-	217.42	13.20	6.80	-	20.00	196.22	197.42
Other building	21.11	-	-	21.11	4.51	2.01	-	6.52	16.60	14.59
Plant & machinery	726.67	233.49	-	960.16	64.05	41.90	-	105.95	662.62	854.21
Office equipment	7.68	4.66	-	12.34	3.01	1.59	-	4.60	4.67	7.74
Factory equipment (electric)	62.44	25.13	-	87.57	10.34	7.25	-	17.59	52.10	69.98
Computer equipment	22.20	4.97	-	27.17	14.10	6.13	-	20.23	8.10	6.94
Other equipment	45.68	7.11	-	52.79	11.68	4.72	-	16.40	34.00	36.39
Furniture & fixtures	16.67	1.08	-	17.75	3.02	1.62	-	4.64	13.65	13.11
Vehicle equipment	-	6.15	-	6.15	-	0.56	-	0.56	-	5.59
Total	1,111.87	290.59	-	1,402.46	123.91	72.58	-	196.49	987.96	1,205.97

Title deeds of Immovable Properties not held in name of the Company

Descriptions	As at 31 March 2021	As at 31 March 2020
Title deeds held in the name of	Aether Industries Limited	
Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	N.A.	

Refer note no. 20 and 22 for information on property, plant and equipment pledged as securities by the company.

4 Capital work-in-progress

Particulars	As at 01 April 2020	Additions	Capitalised during the year	As at 31 March 2021
Capital work-in-progress	172.27	800.62	(970.91)	1.98
Total	172.27	800.62	(970.91)	1.98

Particulars	As at 01 April 2019	Additions	Capitalised during the year	As at 31 March 2020
Capital work-in-progress	12.44	452.22	(292.39)	172.27
Total	12.44	452.22	(292.39)	172.27

Additional disclosures as per Schedule -III requirements:

Amount in CWIP for a period of	Projects in Progress		Projects temporarily suspended	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Less than 1 Year	1.62	164.43	-	-
1-2 Years	0.36	-	-	-
2-3 Years	-	7.85	-	-
More than 3 Years	-	-	-	-
Total	1.98	172.28	-	-

5 Right-of-use assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2020	Additions	Disposals during the year	As at 31 March 2021	As at 01 April 2020	Charge for the year	Disposals during the year	As at 31 March 2021	As at 01 April 2020	As at 31 March 2021
Leasehold land	68.19	-	-	68.19	4.31	0.86	-	5.17	63.88	63.02
Properties (Land & Building)	23.01	15.46	-	38.47	5.31	4.44	-	9.75	17.70	28.72
Total Assets	91.20	15.46	-	106.66	9.62	5.30	-	14.92	81.58	91.74

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2019	Additions	Disposals during the period	As at 31 March 2020	As at 01 April 2019	Charge for the year	Disposals during the period	As at 31 March 2020	As at 01 April 2019	As at 31 March 2020
Leasehold land	68.19	-	-	68.19	3.45	0.86	-	4.31	64.74	63.88
Properties (Land & Building)	5.46	17.55	-	23.01	2.08	3.23	-	5.31	3.38	17.70
Total Assets	73.65	17.55	-	91.20	5.53	4.09	-	9.62	68.12	81.58

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(All amounts in Indian Rupees millions, unless otherwise stated)

6 **Other intangibles assets**

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2020	Additions	Deletions during the year	As at 31 March 2021	As at 01 April 2020	Charge for the year	Deletions during the year	As at 31 March 2021	As at 01 April 2020	As at 31 March 2021
Computer Software	9.59	1.76	-	11.35	4.30	1.59	-	5.89	5.29	5.46
Others	1.45	-	-	1.45	0.99	0.31	-	1.30	0.46	0.15
Total	**11.04**	**1.76**	**-**	**12.80**	**5.29**	**1.90**	**-**	**7.19**	**5.75**	**5.61**

Particulars	Gross Block				Amortisation				Net Block	
	As at 01 April 2019	Additions	Deletions during the year	As at 31 March 2020	As at 01 April 2019	Charge for the year	Deletions during the year	As at 31 March 2020	As at 01 April 2019	As at 31 March 2020
Computer Software	9.10	0.49	-	9.59	2.83	1.47	-	4.30	6.27	5.29
Others	1.33	0.12	-	1.45	0.65	0.34	-	0.99	0.68	0.46
Total	**10.43**	**0.61**	**-**	**11.04**	**3.48**	**1.81**	**-**	**5.29**	**6.95**	**5.75**

(All amounts in Indian Rupees millions, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
7	**Investments**		
	Unquoted equity shares		
	3 (31 March 2020: 3) equity shares of Sachin Industrial Co. Op. Society Limited, of Rs.500 each fully paid-up	-	-
	1,16,851 (31 March 2020: 1,16,851) equity shares of Globe Enviro Care Limited, of Rs.10 each fully paid-up	2.09	2.09
		2.09	**2.09**
	Aggregate value of unquoted investments	2.09	2.09
	Aggregate amount of impairment in value of investments	-	-
8	**Others financial assets**		
	(Unsecured, considered good)		
	Security deposits	15.34	20.24
		15.34	**20.24**
9	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital advances	12.42	38.88
		12.42	**38.88**
10	**Inventories**		
	Raw material	392.82	199.72
	Work in progress	271.53	298.54
	Finished goods	115.06	181.28
	Stores and spares	48.54	26.47
	Others:		
	Packing materials	10.80	6.59
	Research and development materials	8.53	6.79
		847.28	**719.39**

Notes:

(1) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.

(2) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(3) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.

(4) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

(5) Inventories are pledge / hypothecated as primary security with the bankers (lenders) against the Working Capital Facilities availed by the Company.

(All amounts in Indian Rupees millions, unless otherwise stated)

11 Investments

	As at 31 March 2021	As at 31 March 2020
Investment in mutual funds - Quoted		
28 (31 March 2020: 28) SBI Magnum Insta Cash Funds	0.13	0.13
68,545 (31 March 2020: Nil) Nippon India Money Market Fund	220.77	-
	220.90	0.13
(a) Aggregate book value of quoted investments	220.90	0.13
(b) Aggregate market value of quoted investments	220.90	0.13

12 Trade receivables

	As at 31 March 2021	As at 31 March 2020
Trade Receivables considered good - Secured	31.73	19.39
Trade Receivables considered good - Unsecured	1,049.78	609.78
Trade Receivables which have significant increase in credit risk	0.89	0.53
Trade Receivables - credit impaired	-	-
	1,082.40	629.70
Less: Allowance for doubtful receivables	-	-
Total trade receivables	1,082.40	629.70
The above amount includes:		
Receivable from related parties	-	-
Receivable from other than related parties	1,082.40	629.70
Total	1,082.40	629.70

The average credit period on sales of goods is 90 days. Payment terms vary from Advance Payments, LC for 60 to 90 Days, DA for 60 to 90 Days and open credits for 60 to 90 Days. No interest is charged on outstanding trade receivables.

As at 31 March 2021

Particulars	Outstanding for following periods from due date of Payment					
	Less than 6	6 Months-	1-2 Years	2-3 Years	More than 3	Total
(i) Undisputed Trade Receivables - considered good	1,081.51	-	-	-	-	1,081.51
(ii) Undisputed Trade Receivables - which have significant increase in Credit risk	-	0.31	0.57	0.01	-	0.89
(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	-	-	-	-	-	-
	1,081.51	0.31	0.57	0.01	-	1,082.40

As at 31 March 2020

Particulars	Outstanding for following periods from due date of Payment					
	Less than 6	6 Months-	1-2 Years	2-3 Years	More than 3	Total
(i) Undisputed Trade Receivables - considered good	629.17	-	-	-	-	629.17
(ii) Undisputed Trade Receivables - which have significant increase in Credit risk	-	0.53	-	-	-	0.53
(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	-	-	-	-	-	-
	629.17	0.53	-	-	-	629.70

(All amounts in Indian Rupees millions, unless otherwise stated)

13 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash in hand	0.39	0.43
Balances with banks		
Current accounts	0.15	0.13
EEFC accounts	34.60	0.17
	35.14	0.73

14 Bank balances other than cash and cash equivalents

Other bank balances		
Margin Money - Fixed Deposits	20.49	35.27
(with maturity of more than 3 months but less than 12 months)		
	20.49	35.27

15 Loans

Loans to employees*	7.92	7.04
	7.92	7.04
Breakup of security details		
Loans, considered good - secured	-	-
Loans, considered good - unsecured	7.92	7.04
Loans, considered doubtful / credit impaired	-	-
Total	7.92	7.04
Less: Loss allowance	-	-
Total loans receivables	7.92	7.04

*Loan to employees do not include any loan given to promoters, directors, KMPs and any other related parties.

16 Other financial assets

Security deposit	3.60	0.60
Interest receivable (from fixed deposits with banks)	0.36	-
Interest receivable	-	-
Gratuity asset (Refer note 45 for further disclosures)	1.75	-
	5.71	0.60

17 Other current assets

Advances recoverable in cash	4.43	35.31
Balances with government authorities	98.72	39.46
Prepaid expenses	12.29	10.25
Other advances	-	-
	115.44	85.02

(All amounts in Indian Rupees millions, unless otherwise stated)

20 Borrowings

	As at 31 March 2021	As at 31 March 2020
Unsecured – measured at fair value through profit or loss account (FVTPL)		
Compulsorily Convertible Preference Shares (Refer to the Note No. 1 Below)	-	250.00
Secured		
Rupee Term Loans from Banks		
HDFC Bank Term Loan	507.34	331.83
HDFC Bank Term Loan - ECGLS	244.79	-
SBI Term Loan	228.55	297.25
SBI Term Loan New	55.17	69.00
Rupee Vehicle Loans from Banks		
HDFC Bank Car Loan	2.02	2.90
From related parties (Directors & Promoters)		-
	1,037.87	**950.98**

(1) 25,000,000 Compulsorily Convertible Preference Shares were issued on 25.01.2016 @ Rs. 10/- per share. At the time of issuance of these Preference Shares, there was a condition attached that these Preference Shares will be converted to Equity Shares anytime, after the completion of 4 years from the date of issue of such Preference Shares. There was fixed dividend of 8% attached at the time of issuance of the Preference Shares but later on the same was waived off by the Preference Shareholders at their own discretion. On 06.02.2021, all the 25,000,000 Preference Shares were converted to Equity Shares in the ratio of 1:16.251 i.e. for every 16.251 Preference Shares, the Shareholders received 1 Equity Share. The company has followed the due compliance with regulatory authorities.

(2) Reconciliation of Preference Shares:

Preference Share Capital	Amount (Rs.)
Balance as at 31st March 2020	250.00
Changes during the year: Converted to Equity Shares	(250.00)
Balance as at 31st March 2021	-
Balance as at 31st March 2019	250.00
Changes during the year	-
Balance as at 31st March 2020	250.00

(3) Details of Shareholders of Preference Shares:

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	No of shares	% holding in the class	No of shares	% holding in the class
Preference Shares of Rs 10 each fully paid				
a) Rohan Ashwin Desai	-	-	1,16,00,000	46.40%
b) Aman Desai (HUF)	-	-	1,16,00,000	46.40%
c) Ashwin Jayantilal Desai	-	-	18,00,000	7.20%

(4) Terms of Repayment, Nature of Security in case of Secured Loans:

Nature of Security	Terms of Repayment	Principal o/s. as at 31st March 2021	Principal o/s. as at 31st March 2020
1. HDFC Car Loan	From April 05, 2019 up to March 05, 2024 (60 Instalments)	2.90	3.70
Hypothecation of Car			
2. SBI Term Loan	28 Quarterly	319.95	388.65
#Secured by way of Hypothecation of movable and immovable assets of the Company as first pari passu charge #Personal Guarantees of all Promoters #Personal Properties of Promoters as Collateral Security	Rs. 22.85 million each		
3. SBI Term Loan New	25 Quarterly	73.57	87.40
#Same as per SBI Term Loan	Rs 4.60 million each		
4. HDFC Bank Term Loan	20 Quarterly	597.34	331.83
#Same as per SBI Term Loan	Rs 30.00 million each		
5. HDFC Bank Term Loan - ECGLS	48 Quarterly Rs 5.21 million each	250.00	-

(All amounts in Indian Rupees millions, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
21	**Lease liabilities**		
	Lease liabilities	27.11	15.94
		27.11	15.94
22	**Borrowings**		
	Working capital loan (Refer note 1)		
	Secured	712.54	532.71
	Current maturities of long term debt		
	Secured		
	Term loans from banks	205.01	109.80
	Vehicle loans from banks	0.88	0.80
	Unsecured		
	From related parties (Directors & Promoters)	125.70	110.60
		1,044.13	753.91

(1) The primary security for working capital loan is outstanding receivables and inventories. The collateral security provided is residential property of directors cum promotors located at 40, Jaldarshan Society, Umra, Surat of along with factory premise at 8203, Road No-8, GIDC, Sachin, Surat - 394 230. There is also charge created against both of these properties at ROC with SBI and HDFC banks.

(2) For details of terms of repayment and security for current maturities, refer note of non-current borrowings.

(3) Break-up of the Working capital loan:

Particulars		
Working Capital Limits with SBI	197.82	187.26
Working Capital Limits with HDFC Bank	509.71	326.84
Total outstanding	707.53	514.10
Foreign exchange valuation impact on PCFC loans	5.00	14.29
Foreign exchange valuation impact on Bill Discountings	-	4.32
Net outstanding	712.54	532.71

23	**Lease liabilities**		
	Lease liabilities	3.56	2.54
		3.56	2.54
24	**Trade payables**		
	Trade payables		
	Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 39)	89.35	49.80
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	388.38	333.77
		477.73	383.57

Notes:
(1) Refer note 40 for related party disclosure.
(2) Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 90 days.

As at 31 March 2021

Particulars	Outstanding for following periods Particulars from due date of payment					Total
	Unbilled Dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	89.35	-	-	-	89.35
(ii) Others	-	388.27	0.11	-	-	388.38
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	477.62	0.11	-	-	477.73

As at 31 March 2020

Particulars	Outstanding for following periods Particulars from due date of payment					Total
	Unbilled Dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	49.80	-	-	-	49.80
(ii) Others	-	333.58	0.19	-	-	333.77
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	383.38	0.19	-	-	383.57

(All amounts in Indian Rupees millions, unless otherwise stated)

25 Other financial liabilities

Employee related payable		
Salary and other benefits	14.84	11.40
Bonus payable	7.60	0.05
Other payables	0.13	0.05
Bills payable	12.10	0.28
Creditor for expenses	9.76	3.97
	44.43	15.75

26 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advance received from customers	34.47	11.59
Statutory dues payables	7.04	4.42
	41.51	16.01

27 Provisions

Gratuity (Refer note 45 for further disclosures)	-	0.05
	-	0.05

(All amounts in Indian Rupees millions, unless otherwise stated)

		For the year ended 31 March 2021	For the year ended 31 March 2020
28	**Revenue from operations**		
	Sale of products		
	Manufactured goods		
	Local sales	1,985.69	1,493.40
	Export sales	1,919.21	1,021.22
	Deemed exports	238.37	229.54
	Export sales - CRAMS	182.41	85.02
	Sale of services		
	Export services	176.63	189.57
	Domestic services	-	-
	Total revenue from operations	4,502.31	3,018.75
	Less : Rebate and discount	(4.15)	(0.69)
		4,498.16	3,018.06

Refer note no. 46 for further disclosures.

		For the year ended 31 March 2021	For the year ended 31 March 2020
29	**Other income**		
	Interest		
	Interest on fixed deposits	1.00	1.71
	Interest accrued on loans to employees	0.85	0.72
	Interest on deposits	0.03	0.03
	Interest on income tax refund	-	-
	Interest on other deposits	-	-
	Miscellaneous		
	Foreign exchange fluctuation	18.32	8.84
	Duty drawback - exports	2.92	1.73
	MEIS duty credit	15.42	6.40
	Income from mutual funds	-	0.15
	Income accrued from mutual funds	0.79	0.01
	Profit on sale of assets	0.02	-
	Interest subsidy (term loan)	-	-
	Misc. income	0.38	0.16
		39.73	19.75

Subsidies from the Government:
Subsidies from the Government are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the subsidies will be received or when actually will be received by the Company. Subsidies from the Government are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the subsidies are intended to compensate.
Subsidies from the Government that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they are received.

		For the year ended 31 March 2021	For the year ended 31 March 2020
30	**Cost of materials consumed**		
	Raw Materials		
	Opening	199.72	139.85
	Add: Purchase	2,238.03	1,763.64
	Add: Custom duty and clearing forwarding charges	87.21	48.77
		2,524.96	1,952.26
	Closing	392.82	199.72
		2,132.14	1,752.54
	Packing Materials		
	Opening	6.59	3.30
	Purchase	32.16	21.86
		38.75	25.16
	Closing	10.80	6.59
		27.95	18.57
	Stores & Spares		
	Opening	26.47	17.35
	Purchase	65.26	38.60
		91.73	55.95
	Closing	48.54	26.47
		43.19	29.48
	Other Material		
	Opening	157.52	77.11
	Purchase	12.11	9.72
		169.63	86.83
	Closing	123.75	157.52
		45.88	(70.69)
		2,249.16	1,729.90

(All amounts in Indian Rupees millions, unless otherwise stated)

		For the year ended 31 March 2021	For the year ended 31 March 2020
31	Changes in inventories of finished goods and work-in-progress		
	Opening inventories		
	Finished goods	181.28	35.10
	Work-in-progress	147.81	125.64
	Total (A)	329.09	160.74
	Closing inventories		
	Finished goods	115.06	181.28
	Work-in-progress	156.31	147.81
	Total (B)	271.37	329.09
	Total (A-B)	57.72	(168.35)
32	**Employee benefits expense**		
	Salaries, wages and bonus	164.60	102.95
	Contribution to gratuity	3.69	2.39
	Contribution to provident fund	8.62	6.69
	Staff welfare expenses	18.84	6.64
	Leave encashment expenses	2.85	2.44
	Employee medical insurance expenses	1.91	1.84
	Other employee related expenses	20.62	10.81
		221.13	133.76
33	Finance costs		
	Interest on term loan	67.18	54.45
	Interest on term loan - ECGLS	1.61	-
	Interest on cash credit	10.58	1.56
	Interest on PCFC	10.90	11.91
	Interest on bill discounting	6.55	11.76
	Interest on SLC	0.11	0.12
	Interest on car loan	0.32	0.36
	Interest on unsecured loans	1.00	1.40
	Bank charges	12.18	10.33
	Interest on financial liabilities at amortized cost	2.72	1.87
		113.15	93.76
34	Depreciation and amortisation expense		
	Depreciation of property, plant and equipment (refer note 3)	102.91	72.58
	Amortisation of right-of-use asset (refer note 5)	5.30	4.09
	Amortisation of intangible assets (refer note 6)	1.90	1.81
		110.11	78.48

(All amounts in Indian Rupees millions, unless otherwise stated)

35 Other expenses	For the year ended 31 March 2021	For the year ended 31 March 2020
Manufacturing service cost expenses		
Power and fuel	138.91	92.24
Water charges	3.80	4.09
Other manufacturing costs	347.71	249.62
Administrative and general expenses		
Telephone and postage	3.05	3.26
Printing and stationery	0.75	0.84
Rent	7.32	4.71
Rates and taxes	8.40	7.66
Payment to statutory auditors (Refer note below)	0.45	0.30
Directors' sitting fees	0.33	0.38
Managerial remuneration	30.52	16.90
Repairs and maintenance expenses	33.67	20.72
Electricity expenses	129.64	87.92
Travelling expenses	2.66	8.37
Legal and professional expenses	17.74	18.75
Insurance expenses	13.21	4.84
Vehicle running expenses	6.16	3.13
Other administrative and general expenses	20.22	19.92
Selling and distribution expenses	64.09	56.57
Research and development expenses	8.24	0.71
Other expenses	11.69	4.26
	848.56	605.19

(a) Payment to auditors

Statutory audit fee	0.45	0.30
	0.45	0.30

(All amounts in Indian Rupees millions, unless otherwise stated)

36 Taxes

(a) Statement of profit or loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
Current income tax charge	201.00	121.92
Deferred tax	25.87	43.59
Income tax expense reported in the statement of profit or loss	**226.87**	**165.51**

(b) Other comprehensive income (OCI)
Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax		
Remeasurements gains and losses on post employment benefits	(0.22)	(0.92)
Income tax recognised in OCI	**(0.22)**	**(0.92)**

(c) Balance sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current tax assets	-	-
Current tax assets	-	-
Total tax assets	-	-

Current tax liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax (net of advance tax)	7.70	6.73
Total current tax liabilities	**7.70**	**6.73**

(All amounts in Indian Rupees millions, unless otherwise stated)

(d) Deferred tax liabilities / (assets)

Particulars	As at 31 March 2021	As at 31 March 2020
Excess of depreciation/amortisation on property plant and equipment under income tax act	102.58	76.32
Fair valuation of Mutual funds	(0.20)	-
Fair valuation of Security deposits	(0.01)	(0.01)
Amortization of processing fees on loan	(0.18)	1.02
Provision for employee benefits	0.45	(0.22)
Leases	(0.57)	(0.69)
Net deferred tax liability/(asset)	**102.07**	**76.42**

(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit before tax	938.06	565.07
Tax rate	25.17%	29.12%
Tax as per IT Act on above	236.09	164.55
Tax expenses (P&L)		
(i) Current tax	201.00	121.92
(ii) Deferred tax	25.87	43.59
(iii) Taxation in respect of earlier years		
	226.87	165.51
Tax expenses (OCI)	(0.22)	(0.92)
Difference	9.44	(0.04)
Tax reconciliation		
Adjustments:		
Effect of permanent adjustments	(9.13)	-
Effect of Temporary Adjustments:		
(i) Impact as a result of Tax Rate Change	-	-
(ii) Impact as a result of Capital Gains	-	-
(iii) Others	(0.31)	0.04
	-	-

(All amounts in Indian Rupees millions, unless otherwise stated)

(f) Movement in temporary differences:

	1 April 2020	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	31 March 2021
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	76.32	26.26	-	102.58
Fair valuation of Mutual funds	-	(0.20)	-	(0.20)
Fair valuation of Security deposits	(0.01)	-	-	(0.01)
Amortization of processing fees on loan	1.02	(1.20)		(0.18)
Provision for employee benefits	(0.22)	0.89	(0.22)	0.45
Leases	(0.69)	0.12		(0.57)
Net deferred tax liability/(asset)	76.42	25.87	(0.22)	102.07

	1 April 2019	Recognised in profit or loss during the period / year	Recognised in OCI during the period/ year	31 March 2020
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	33.81	42.51	-	76.32
Fair valuation of Mutual funds	-	-	-	-
Fair valuation of Security deposits	-	(0.01)	-	(0.01)
Amortization of processing fees on loan	-	1.02	-	1.02
Provision for employee benefits	0.06	0.64	(0.92)	(0.22)
Leases	(0.11)	(0.58)	-	(0.69)
Net deferred tax liability/(asset)	33.76	43.58	(0.92)	76.42

Authorised
SURAT

(All amounts in Indian Rupees millions, unless otherwise stated)

37 Earnings Per Share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profits attributable to equity shareholders		
Profit for basic earning per share of Rs. 10 each		
Profit for the period / year (in Rs.)	711.19	399.56
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the period / year	87,87,794	85,60,200
Basic EPS (Rs.)	80.93	46.68
Diluted Earnings Per Share		
Profit for diluted earning per share of Rs. 10 each		
Profit for the period / year (in Rs.)	711.19	399.56
Weighted average number of equity shares outstanding during the period / year	87,87,794	85,60,200
Diluted EPS (Rs.)	80.93	46.68

Weighted average number of equity shares for Basic Earnings Per Share	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning and at the end of the period*	85,60,200	85,60,200
Issued during the period	2,27,594	-
Weighted average number of equity shares outstanding during the period / year	87,87,794	85,60,200

Weighted average number of equity shares for Diluted Earnings Per Share	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning and at the end of the period*	85,60,200	85,60,200
Issued during the period	2,27,594	-
Weighted average number of equity shares outstanding during the period / year	87,87,794	85,60,200

*Note: The equity shares and basic/diluted earnings per share has been presented to reflect the adjustments for issue of bonus shares subsequent to 30 September 2021 in accordance with Ind AS 33 - Earnings per Share.(refer note 51).

38 Contingent liabilities, contingent assets and commitments :

Contingent liabilities

Particulars	Currency	For the year ended 31 March 2021	For the year ended 31 March 2020
Bank Guarantees issued for:			
Customs	INR	8.99	18.20
Gujarat Gas Ltd.	INR	6.43	4.59
DGVCL	INR	21.25	10.53
Total Margin for above items	INR	10.97	11.45
Raw Material LC	INR	-	15.64
Raw Material FLC	US$	0.82	1.42
Total Margin for above items	INR	10.12	23.83
Income Tax Demand:			
AY 2017-18 (PY: 2016-17)	INR	0.22	0.22
AY 2018-19 (PY: 2017-18)	INR	0.93	0.93

All the Contingent Liabilities listed above, which are outstanding as on current Balance Sheet date are not 100% secured through cash margins placed with the banks. Company is enjoying Bank Guarantee and LC Limit facilities from the banks, which require 15% Margin Money on Bank Guarantees and 15% Margin Money on LC Facilities. The Income Tax Demands are under appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

39 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount remaining unpaid to any supplier as at the end of the period/year		
Trade payables	89.35	49.80
Capital creditors	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the period/year		
Trade payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(All amounts in Indian Rupees millions, unless otherwise stated)

40 Related Party Disclosures

(a) List of Related Parties and description of relationship:

Entities where directors are interested :
<u>Ashwin Jayantilal Desai (Managing Director)</u>

Aether Foundation
Globe Enviro Care Limited

<u>Purnima Ashwin Desai (Director)</u>

Aether Foundation

<u>Rohan Ashwin Desai (Director)</u>
Aether Foundation

<u>Kamalvijay Ramchandra Tulsiyan (Director)</u>
J B Dyeing and Printing Mills Ltd.
Gujarat Enviro-Protection and Infrastructure Pvt. Ltd.
Navbharat Silk Mills Pvt. Ltd.
Pandesara Infrastructure Ltd
Surat Mega Textiles Processing Park Association

<u>Jeevanlal Nagori (Director)</u>
Tonira Pharma Ltd.
Avik Pharmaceuticals Ltd.
Ajanma Holdings Pvt Ltd.
IPCA Traditional Remedies Pvt. Ltd.
Transrail Lighting Ltd.

<u>Ishita Surendra Manjrekar (Director)</u>
Sunanda Speciality Coatings Pvt. Ltd.
Sunworks Chemicals Pvt. Ltd.
Sunanda Global Outreach Foundation
Sunanda Smile Foundation

Key Management Personnel (KMP)

Name	Designation
Ashwin Jayantilal Desai	Managing Director
Purnima Ashwin Desai	Whole Time Director
Rohan Ashwin Desai	Whole Time Director
Aman Ashwin Desai	Whole Time Director

Relative of Key Management Personnel

Name	Designation
Payal Rohan Desai	Spouse of Rohan Ashwin Desai
Kamalvijay Ramchandra HUF	HUF of Director - Kamalvijay Ramchandra Tulsian
Pramilaben Kamalvijay Tulsian	Spouse of Kamalvijay Tulsian

(b) Related party transactions:

Sr. no	Nature of Transaction	For the year ended 31 March 2021			For the year ended 31 March 2020		
		Promoters and their relatives	Companies Controlled by Directors / Relatives	Total	Promoters and their relatives	Companies Controlled by Directors / Relatives	Total
1	Rent Paid	8.75	-	8.75	4.20	-	4.20
2	Interest Paid	1.00	-	1.00	1.40	-	1.40
3	Loan accepted	15.00	-	15.00	20.20	-	20.20
4	Managerial Remuneration	29.58	-	29.58	16.90	-	16.90
5	Purchase of Consumables	-	0.32	0.32	-	0.57	0.57
6	Purchase of Material for Building & Structure	-	4.56	4.56	-	4.30	4.30
7	ETP Expenses	-	32.37	32.37	-	21.65	21.65
8	CSR Activities	-	4.61	4.61	-	1.21	1.21
9	Salary	4.55	-	4.55	-	-	-
		58.88	41.86	100.74	42.70	27.73	70.43

(c) Balances outstanding at the end of the period / year:-

Particulars	As at 31 March 2021	As at 31 March 2020
Rent payable	0.29	-
Interest payable	0.10	-
Managerial remuneration payable	3.22	1.30
Unsecured loans received	125.70	110.60
Salary Payable	0.25	-

During the above periods, the Company did not enter into any material transaction (as defined in the Company's policy on related party transactions) with related parties. All other transactions of the company with related parties were in the ordinary course of business and at an arm's length.

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

Particulars	As at 31 March 2021	As at 31 March 2020
Rent Paid		
Purnima Desai	1.35	0.90
Payal Desai	1.80	0.90
Ashwin Desai	0.90	-
Rohan Desai	0.50	-
Kamalvijay Ramchandra HUF	2.40	2.40
Pramilaben Kamalvijay Tulsian	1.80	-
Total	8.75	4.20

(All amounts in Indian Rupees millions, unless otherwise stated)

Managerial Remuneration		
Ashwin Desai	6.83	3.90
Purnima Desai	6.83	3.90
Rohan Desai	7.96	4.55
Aman Desai	7.96	4.55
Total	**29.58**	**16.90**
Transactions with Companies Controlled by Directors / Relatives		
Sunanda Speciality Coatings Pvt. Ltd. (Consumables)	0.32	0.57
Sunanda Speciality Coatings Pvt. Ltd. (Material for Building & Structure)	4.56	4.30
Globe Enviro Care Limited (ETP Expenses)	32.37	21.65
Aether Foundation (CSR Expenses)	4.61	1.21
Total	**41.86**	**27.73**
Loans Accepted		
Ashwin Jayantilal Desai	1.98	0.70
Purnima Ashwin Desai	1.60	1.00
Rohan Ashwin Desai	5.84	15.30
Aman Ashwin Desai	4.49	1.20
Aman Desai (HUF)		-
Payal Rohan Desai	1.10	2.00
Total	**15.01**	**20.20**
Salary Paid		
Payal Rohan Desai	4.55	-
Total	**4.55**	-

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41 Section 35(2AB) of Income Tax Act, 1961 Disclosure

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salary, Wages & Bonus		
Salary Expense	16.98	13.94
Overtime Wages	0.34	0.10
Employer's Contribution to PF	1.04	0.77
Employee Medical Insurance Expenses		-
Employer's Contribution to ESI	0.15	0.14
Leave Encashment Expenses		-
Leave Encashment Expenses	0.46	0.74
Other Employee Related Expenses		-
Bonus	1.95	1.63
Managerial Remuneration		-
Salaries to Directors	5.25	3.00
Bonus to Directors	0.44	0.25
Consumption of Material		-
R&D Material	10.37	7.18
Power & Fuel		-
Diesel Expenses	19.49	13.96
Repairs & Maintenance		-
Plant & Machinery	1.68	1.06
Buildings	0.31	0.24
Others	0.07	0.26
Electricity Expenses		-
Electricity Expenses	21.47	17.82
Vehicle Running Expenses		-
Petrol & Other Expenses	0.28	-
Vehicle Repairing Expenses	0.20	-
Vehicle Hiring Charges	1.40	-
Rent, Rates & Taxes		-
Rent	4.20	2.40
Other Administrative & General Expenses		-
Security Expenses	1.58	0.77
Total Revenue Expenditure (A)	**87.66**	**64.26**
Capital Expenditure		
Buildings	3.05	
Computers	0.49	0.02
Factory Equipment (Electric)	4.91	1.66
Furniture & Fixtures	0.02	0.12
Other Equipment (Lab)	2.57	2.80
Office Equipment	0.19	0.36
Plant & Machinery	67.19	33.47
Computer Software	0.40	0.44
CWIP	0.56	0.36
Total Capital Expenditure (B)	**79.38**	**39.23**
Total Expenditure (A) + (B)	**167.04**	**103.49**

Approval for registration of In-house R&D unit by Department of Science and Industrial Research (DSIR) was received vide letter dated 24th November 2020.
As the above note is for the discloser of requirements of Section 35(2AB) of the Income Tax Act, 1961, we have not considered Depreciation here.

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42 Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, 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 Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:
- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

(a) Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company'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 associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

(i) The company has not made any provision on expected credit loss on trade receivables and other financials assets, based on the management estimates.

(ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(b) **Liquidity risk**
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department within the Finance Department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from the operations.

Particulars	As at 31 March 2021	As at 31 March 2020
Total current assets (A)	2,335.28	1,477.89
Total current liabilities (B)	1,619.06	1,178.56
Working capital (A-B)	**716.22**	**299.33**
Current Ratio:	**1.44**	**1.25**

(All amounts in Indian Rupees millions, unless otherwise stated)

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at 31 March 2021			
		Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	2,082.00	1,044.13	1,037.87	2,082.00
Trade payables	477.73	477.62	0.11	477.73
Lease liabilities	30.67	3.56	27.11	30.67
Other liabilities	44.43	44.43	-	44.43

	As at 31 March 2020			
		Contractual cash flows		
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	1,704.89	753.91	950.98	1,704.89
Trade payables	383.57	383.38	0.19	383.57
Lease liabilities	18.48	2.54	15.94	18.48
Other liabilities	15.75	15.75	-	15.75

(All amounts in Indian Rupees millions, unless otherwise stated)

(c) **Market risk**

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(1) **Foreign currency risk :**

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.

Following is outstanding foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at 31 March 2021		As at 31 March 2020	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade receivables	6.51	475.26	4.13	292.08
Balance with banks - In EEFC accounts	0.47	33.96	-	0.17
	6.98	**509.22**	**4.13**	**292.25**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(ii) Financial liabilities

Financial liabilities	As at 31 March 2021		As at 31 March 2020	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade payable	0.98	72.14	0.98	70.39
	0.98	**72.14**	**0.98**	**70.39**

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

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(iii) Currency wise net exposure (Financial assets - Financial liabilities)

Currency wise net exposure (assets - liabilities)	As at 31 March 2021		As at 31 March 2020	
Particulars	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD	6.00	437.08	3.15	221.86
Total	6.00	437.08	3.15	221.86

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(iv) Sensitivity analysis

Particulars	Impact on profit/equity (1% strengthening)	
	31 March 2021	31 March 2020
USD	4.37	2.22
Total	4.37	2.22

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

Particulars	Impact on profit/equity (1% weakening)	
	31 March 2021	31 March 2020
USD	(4.37)	(2.22)
Total	(4.37)	(2.22)

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

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(2) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selection appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long term and short term) to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	1,953.40	1,340.59
Fixed rate borrowings	128.60	364.30
Total borrowings	**2,082.00**	**1,704.89**

Sensitivity analysis

Particulars	Impact on profit before tax / pre-tax equity	
	As at 31 March 2021	As at 31 March 2020
Increase by 50 basis points	(9.77)	(6.70)
Decrease by 50 basis points	9.77	6.70

43 Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.
The Company's objectives when managing capital are to :
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	As at 31 March 2021	As at 31 March 2020
Total liabilities	2,786.11	2,221.90
Less: cash and cash equivalents and bank balances	55.63	36.00
Net debt	2,730.48	2,185.90
Total equity	1,743.33	782.77
Debt-equity ratio	1.57	2.79

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44 Fair value measurements

(a) Categories of financial instruments -

Particulars	As at 31 March 2021				
	Carrying amount	Fair values			
		FVTPL	FVTPL	FVTOCI	Amortised cost
Category		Level 1	Level 3	Level 3	Level 1
Financial assets					
Trade receivables	1,082.40	-	-	-	1,082.40
Cash and cash equivalents	35.14	-	-	-	35.14
Other bank balances	20.49	-	-	-	20.49
Investment in mutual funds - Quoted	220.90	220.90	-	-	-
Investments in equity shares- Unquoted	2.09	-	-	2.09	-
Loans	7.92	-	-	-	7.92
Other financial assets	21.05	-	-	-	21.05
Total financial assets	1,389.99	220.90	-	2.09	1,167.00
Financial liabilities					
Borrowings	2,082.00	-	-	-	2,082.00
Trade payables	477.73	-	-	-	477.73
Other financial liabilities	75.10	-	-	-	75.10
Total financial liabilities	2,634.83	-	-	-	2,634.83

Particulars	As at 31 March 2020				
	Carrying amount	Fair values			
		FVTPL	FVTPL	FVTOCI	Amortised cost
Category		Level 1	Level 3	Level 3	Level 2
Financial assets					
Trade receivables	629.70	-	-	-	629.70
Cash and cash equivalents	0.73	-	-	-	0.73
Other bank balances	35.27	-	-	-	35.27
Investment in mutual funds - Quoted	0.13	0.13	-	-	-
Investments in equity shares- Unquoted	2.09	-	-	2.09	-
Loans	7.04	-	-	-	7.04
Other financial assets	20.84	-	-	-	20.84
Total financial assets	695.80	0.13	-	2.09	693.58
Financial liabilities					
Borrowings	1,704.89	-	250.00	-	1,454.89
Trade payables	383.57	-	-	-	383.57
Other financial liabilities	34.23	-	-	-	34.23
Total financial liabilities	2,122.69	-	250.00	-	1,872.69

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortized cost approximates the fair value (except for which the fair values are mentioned). Investments in Mutual Funds which are designated at FVTPL & Investment in shares which are classified as FVTOCI are at fair value.

(All amounts in Indian Rupees millions, unless otherwise stated)

45 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under":

(i) Defined contribution plan - Provident fund and other funds

The company has recognized following amounts in the profit & loss account for the year/ period:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Provident fund		
Employer's Contribution	8.27	6.43
Administration charges	0.34	0.27
Employer's Contribution to ESI (Employee State Insurance)	1.91	1.84
	10.52	**8.53**

(ii) Defined benefit plan

1) The defined benefit plan comprises gratuity, which is funded.
2) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).
The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.
These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2021	As at 31 March 2020
Present Value of Benefit Obligation at the Beginning of the Period	11.73	6.71
Interest cost	0.80	0.52
Current service cost	3.69	2.44
Benefits paid	(0.48)	(0.13)
Actuarial (Gains)/Losses on Obligations	-	-
-Due to Change in Demographic Assumptions	-	-
-Due to Change in Financial Assumptions	0.05	1.44
-Due to Experience	1.62	0.75
Present value of obligation at the end of the period / year	**17.41**	**11.73**

Changes in the fair value of plan assets are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Fair value of plan assets at the beginning of the period / year	11.69	7.41
Interest income	0.80	0.58
Contributions	6.36	4.81
Mortality charges and taxes	-	-
Benefits paid	(0.48)	(0.13)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	0.81	(0.98)
Fair value of Plan assets at end of the period / year	**19.18**	**11.69**

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Net interest cost for current period

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Present Value of Benefit Obligation at the Beginning of the Period	11.73	6.71
Fair Value of Plan Assets at the Beginning of the Period	(11.69)	(7.41)
Net Liability/(Asset) at the Beginning	0.04	(0.70)
Interest Cost	0.80	0.52
Interest Income	(0.80)	(0.58)
Net Interest Cost for Current Period	-	(0.06)

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	3.69	2.44
Net Interest (Income)/ Expense	-	(0.06)
Net benefit expense	3.69	2.38

Amount recognised in the statement of other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Re-measurement for the year - obligation (gain) / loss	1.67	2.19
Re-measurement for the year - plan assets (gain) / loss	(0.81)	0.98
Total re-measurements cost / (credit) for the period / year recognised in other comprehensive income	0.86	3.17

Net Defined Benefit Liability/(Asset) for the period / year

Particulars	As at 31 March 2021	As at 31 March 2020
Defined Benefit Obligation	17.41	11.73
Fair value of plan assets	19.18	11.69
Closing net defined benefit liability/(asset)	(1.77)	0.04

Particulars	As at 31 March 2021	As at 31 March 2020
Current	(1.77)	0.04
Non-Current	-	-

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Assumptions

Particulars	As at 31 March 2021	As at 31 March 2020
	%	%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Discount rate	6.82%	6.84%
Rate of increase in compensation levels	8.00%	8.00%
Expected rate of return on plan assets	6.82%	6.82%
Withdrawal rate#		
Age up to 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

(All amounts in Indian Rupees millions, unless otherwise stated)

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 & 31 March 2020 is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 March 2021		As at 31 March 2020	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Delta effect of 1% change in rate of discounting	(2.24)	2.77	(1.53)	1.90
Delta effect of 1% change in rate of salary increase	2.68	(2.23)	1.86	(1.53)
Delta effect of 1% change in rate of employee turnover	(0.41)	0.47	(0.30)	0.34

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected future benefit payments
The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Duration of defined benefit payments	31 March 2021	31 March 2020
1st Following Year	0.44	0.25
2nd Following Year	0.64	0.36
3rd Following Year	0.73	0.50
4th Following Year	0.84	0.58
5th Following Year	0.88	0.62
Sum of Years 6 To 10	4.89	3.26
Sum of Years 11 and above	50.53	35.16

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Note 46: Revenue from contracts with customers

(a) Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Gross Sales (Contracted Price)	4,502.31	3,018.75
Reductions towards variable consideration (Discount & Delayed Delivery Charges)	(4.15)	(0.69)
Revenue recognised	**4,498.16**	**3,018.06**

The Company derives its revenue from contracts with customers for the transfer of goods and services at a point in time and over the period in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

(b) External revenue by Product Line

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
4'-Methyl-2-Cyanobiphenyl (OTBN)	620.76	804.43
4-(2-Methoxyethyl) Phenol (4MEP)	944.35	603.75
Thiophene-2-Ethanol (T2E)	682.15	346.12
1-Deoxy-1-(Octylamino)-D-Glucitol (NODG)	289.86	259.41
3-Methoxy-2-Methylbenzoyl Chloride (MMBC)	694.76	186.32
1-[2-(2-Hydroxyethoxy)Ethyl]Piperazine (HEEP)	182.43	103.71
2-Methoxy-6-Chlorotoluene (MCT)	176.80	34.65
BFA	-	-
Other Products	548.01	403.08
Revenue from products (Recognised at point in time) (A)	**4,139.12**	**2,743.47**
Service name		
CRAMS	359.04	274.59
Revenue from services (Recognised over the period) (B)	**359.04**	**274.59**
Grand Total (A) + (B)	**4,498.16**	**3,018.06**

(c) Revenue by Business Classification

Product Name	For the year ended 31 March 2021	For the year ended 31 March 2020
Large Scale Manufacturing	3,249.18	2,489.04
Contract Manufacturing	871.57	222.98
Contract Research And Manufacturing Services (CRAMS)	359.04	274.59
Others	18.37	31.45
Total revenue	**4,498.16**	**3,018.06**

(d) Revenue by Geographies / Regions:

Country / Region	For the year ended 31 March 2021	For the year ended 31 March 2020
India (including Deemed Exports)	2,219.91	1,722.25
India (SEZ)	380.84	375.41
Spain	389.57	181.91
Italy	725.30	151.11
USA	211.68	131.69
Germany	237.27	96.14
Belgium	43.84	77.76
China	28.73	72.48
Mexico	47.80	68.59
Switzerland	8.70	34.59
Israel	23.08	22.56
Taiwan	64.92	0.15
Netherlands	46.25	10.67
Japan	37.79	18.51
Romania	16.13	21.50
Others - Europe	16.35	32.70
Others - ROW	-	0.04
Total revenue	**4,498.16**	**3,018.06**

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47 : Explanation of transition to Ind AS

These restated Ind AS financial statements, for the period ended 30 September 2021 are the first financial statements prepared in accordance with Ind AS. For years up to and including the year ended 31 March 2021, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "Previous GAAP").

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2021 together with comparative period data as at and for the year ending on 31 March 2020 as described in the Basis of Preparation and Summary of Significant Accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2018 being the Company's date of transition to Ind AS.

The restated financial statements for the year ended 31 March 2021 and 31 March 2020 were prepared in accordance with Ind AS complying with the requirements of SEBI Circular dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses issued by ICAI. For all the years the company has adopted the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date, i.e. 1 April 2018.

This note explains exemptions availed by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2021 and 31 March 2020.

A. Exemptions availed
Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has elected to apply the following exemptions:

1. Deemed cost : Property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in its Indian GAAP financials as deemed cost at the transition date.

2. Designation of previously recognised financial instruments

Financial assets and financial liabilities are classified at fair value based on facts and circumstances as at the date of transition to Ind AS. Financial assets and liabilities are recognised at fair value as at the date of transition to Ind AS i.e 1 April 2018 and not from the date of initial recognition.

3. Leases

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the date of transition.

B. Exceptions applied

1. Estimates

The estimates at 1 April 2018 being the transition date and at 31 March 2021 are consistent with those made for the same dates in accordance with Indian GAAP. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1 April 2018 , the date of transition to Ind AS and as of 31 March 2021.

2. Derecognition of financial assets and liabilities

Ind AS 101, requires first-time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements of Ind AS 109, retrospectively from a date of the company's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transaction was obtained at the time of initial accounting of transactions.
The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from date of transition to Ind AS.

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets, on the basis of the facts and circumstances that exist at the transition date to Ind AS.

C. Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliations include-
i) Reconciliation of equity as at 31 March 2020 and 31 March 2021
ii) Reconciliation of total comprehensive income for the year ended 31 March 2020 and 31 March 2021;
There are no material adjustments to the cash flow statements.

D. Statement of reconciliation of total equity and profit and loss as per previous GAAP and Ind AS

Reconciliation of total equity as at 31 March 2021 and 31 March 2020:

Particulars	Note	31 March 2021	31 March 2020
Equity as per Indian GAAP		1,744.71	1,034.49
Adjustments to retained earnings			
Leases	c	(7.14)	(5.10)
Fair valuation of security deposit	b	(0.00)	(0.01)
Investment in mutual funds	c	0.82	0.04
Reclassification of preference shares into	d	-	(250.00)
Provision of gratuity	e	1.75	(0.05)
Transaction cost on borrowings	f	2.67	3.50
Deferred tax impact	g	0.52	(0.10)
Total of Ind AS adjustment to retained earnings		(1.38)	(251.72)
Equity as per Ind AS		1,743.33	782.77

(All amounts in Indian Rupees millions, unless otherwise stated)

Reconciliation of total comprehensive income for the year ended 31 March 2021 and 31 March 2020:

Particulars	Note	31 March 2021	31 March 2020
Net profit as per Indian GAAP		710.22	396.12
Adjustments to net profit			
Leases	c	(2.04)	(1.42)
Fair valuation of security deposit	b	0.00	(0.00)
Investment in mutual funds	a	0.79	0.01
Provision of gratuity	d,e	2.66	2.44
Transaction cost on borrowings	g	(0.83)	3.49
Deferred tax impact	h	0.39	(1.08)
Total of Ind AS adjustments to net profit		0.98	3.44
Net Profit as per Ind AS		711.20	399.56
Adjustments to other comprehensive income			
Actuarial gains and losses (net of tax)	d	(0.86)	(3.16)
Deferred tax impact on investments	h	0.22	0.92
Total of Ind AS adjustments to other comprehensive income		(0.64)	(2.24)
Total comprehensive income as per Ind AS		710.55	397.32

Notes to the reconciliations:

a) Investment in mutual funds

Under Indian GAAP, long-term investments are valued at cost less provision for other than temporary diminution in the value of such investments. Under Ind AS, investment in mutual funds are classified as 'Fair value through profit and loss' are measured at fair value at each reporting date. The subsequent changes in the fair value of such investments are recognised in statement of profit and loss.

b) Interest-free security deposits (Assets)

Under Indian GAAP, security deposits are recorded at transaction value. Under Ind AS, security deposits given to lessors for leased premises have been fair valued and the difference between the fair value and the transaction value have been presented as a part of right-of-use assets. Right-of-use assets has been depreciated in the statement of profit and loss over the lease term. Interest income on security deposit is recorded using effective interest rate method.

c) Leases

Under Indian GAAP, leases are required to be classify leases as finance lease and operating lease. Operating lease expenses are recognised on a straight-line basis over the lease term. Under Ind AS, a single lessee accounting model is prescribed and requires a lessee to recognize assets and liabilities for all leases with a lease term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payment. Right-of-use asset is depreciated in the statement of profit and loss over the lease term. Interest expenditure on lease liabilities is recorded using effective interest rate method.

d) Employee benefit expenses - actuarial gains and losses and return on plan assets

Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss. Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.

e) Prior period adjustments

Under Indian GAAP, prior period items are included in determination of profit or loss of the period in which the item is discovered and are separately disclosed in the statement of profit and loss. Under Ind AS, material prior period items are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented by restating the opening balance sheet. Under Indian GAAP, the company did not take actuarial valuation of gratuity provision and its corresponding impact. However while restatement of financial information, impact of actuarial valuation of gratuity provision has been considered.

f) Liability - Preference shares

Under Indian GAAP, preference shares forms part of share capital. Under Ind AS, these preference shares are classified as borrowings (liability) and are subsequently measured at fair value profit or loss account (FVTPL).

g) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are recognised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition of financial liability and charged to profit or loss using the effective interest method.

h) Income tax

Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Further under Ind AS, income tax is recognised in the same statement in which underlying item is recorded.

(All amounts in Indian Rupees millions, unless otherwise stated)

48 : Leases

(a) For Right-of-use assets schedule - Please refer note 3.

(b) Lease liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current	3.56	2.54
Non Current	27.11	15.94
Total	30.67	18.48

(c) Interest expenses on lease liabilities

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liabilities	2.72	1.87

(d) Expenses on short term leases / low value assets

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term lease	7.08	3.77
Low value assets	0.24	0.94

(e) Amounts recognised in the statement of cash flow

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total cash outflow for leases	3.27	2.68

(f) Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	9.80	4.19
One to five years	46.51	14.47
More than five years	10.20	4.80
Total undiscounted lease liabilities	66.51	23.46

(g) Other notes
The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2018 is 9.50%.
Operating lease payable as per previous GAAP as at transition date is considered for calculation of lease liabilities under Ind AS 116.

AETHER INDUSTRIES LIMITED
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SURAT

(All amounts in Indian Rupees millions, unless otherwise stated)

49 Operating Segment

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sales Value		
India	2,219.91	1,722.25
Rest of the World	2,278.25	1,295.81
	4,498.16	3,018.06
Carrying amount of assets*		
India	607.14	337.62
Rest of the world	475.26	292.08
	1,082.40	629.70

*Segment assets represent trade receivables

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Additions to property, plant and equipment, right of use assets and intangible assets		
India	985.42	308.74
	985.42	308.74

(b) Information about major customers (External Customers):

The following is the transactions by the company with external customers individually contributing 10% or more of revenue from operations:

(i) For the year ended 31 March 2021, revenue from operations of one customer of the company represented approximately 19.38% of revenue from operations.
(ii) For the year ended 31 March 2020, revenue from operations of one customer of the company represented approximately 10.29% of revenue from operations.

50 Corporate social responsibility

As per the provisions of section 135 of Companies Act 2013, the Company was required to spend Rs. 6.53 million (31 March 2020: Rs. 2.83 million), being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. However, the Company has spent Rs. 6.53 million (31 March 2020: Rs. 1.93 millions) towards Corporate Social Responsibility activities. Below are the details of the amount spent during the year :

Particulars	CSR activities	For the year ended 31 March 2021	For the year ended 31 March 2020
Aether Foundation	Promoting health care including preventive health care and promoting education in tribal and rural area, vocational training support, assistance for research program	4.36	1.21
Friends of Tribal Society	Promoting education in rural area	0.66	0.39
Surat City Taekwondo Association	Training to promote Olympic sports (Karate)	-	0.15
Direct fund support	Provision of bed at a hospital as promoting health care including preventive health care	-	0.08
Dang Yuvak Seva samiti	Promoting education in rural area	-	0.12
Disable Welfare Trust of India	Provision of aid / facilities to senior citizens	0.10	-
Shree Jaganath Vruddhashram Trust	Provision of aid / facilities to senior citizens	0.20	-
Leado Sansthan	Contribution of various facilities for skill development for females	0.01	-
Sachin Vibhag Kelvani Mandal	Promoting education support	1.00	-
Provision of food to the needy during lock-down (COVID-19)	Disaster management	0.20	0.01
Sanitisation activity in local area (COVID-19)	Disaster management	-	0.03
Rogi Kalyan Samiti New Civil Hospital	Disaster management, including relief, rehabilitation and reconstruction activities (COVID-19)	-	-
Nimar Abhyudaya Rural Management & Development Association	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	-	-
Aether Foundation	Promoting education in rural area and setting up homes and hostels for women	-	-
Kajorimal Basantilal Nagori Trust	Promoting education in rural area	-	-
Surat Manav Sewa Sangh	Disaster management, including relief, rehabilitation and reconstruction activities (COVID-19)	-	-
Surat Raktadan Kendra and Research Centre	Preventive health-care measure	-	-
	Total	6.53	1.93

51 Events subsequent to 31 March 2021

For [Bipin] S. Shah & Associates
Chartered Accountants
Firm Registration No. 131554W

Bipin S. Shah
Proprietor
Membership No: 107086

Place: Surat
Date: 6 December 2021
ICAI UDIN: 21107086AAAAIW3617

For and on behalf of the Board of Directors of
Aether Industries Limited

Ashwin Desai
Managing Director
DIN: 00038386
Place: Surat
Date: 6 December 2021

Rohan Desai
Whole Time Director
DIN: 00038379
Place: Surat
Date: 6 December 2021

[Faiz] Nagariya
Chief Financial Officer
PAN: ADBPN8514G
Place: Surat
Date: 6 December 2021

Parghi
Company Secretary
Mem. No.: A59033
Place: Surat
Date: 6 December 2021

(All amounts in Indian Rupees millions, unless otherwise stated)

52 Ratios as per the Schedule III requirements

(a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current Assets	2,335.28	1,477.89
Current Liabilities	1,619.06	1,178.56
Current Ratio (Times)	1.44	1.25
% Change from previous period / year	15.02%	

(b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Total Debt	2,082.00	1,704.89
Total Equity	1,743.33	782.77
Debt Equity Ratio (Times)	1.19	2.18
% Change from previous period / year	-45.17%	

(c) Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Particulars	As at 31 March 2021	As at 31 March 2020
Profit for the year	711.19	399.56
Add: Non cash operating expenses and finance cost	-	-
Depreciation and amortisation expense	110.11	78.48
Finance costs	113.15	93.76
Earnings available for debt services	934.45	571.80
Interest cost on borrowings	97.25	80.16
Principal repayments (including certain prepayments)	110.60	83.02
Total interest and principal repayments	207.85	163.18
Debt Service Coverage Ratio (Times)	4.50	3.50
% Change from previous period / year	28.30%	

(d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	As at 31 March 2021	As at 31 March 2020
Profit for the year	711.19	399.56
Total Equity	1,743.33	782.77
Return on Equity Ratio (%)	40.79%	51.04%
% Change from previous period / year	-20.08%	

(e) Inventory Turnover Ratio = Closing Inventory divided by Cost of Material Consumed plus Changes in Inventory in to 365/366

Particulars	As at 31 March 2021	As at 31 March 2020
Cost of materials consumed	2,306.88	1,561.55
Closing Inventory	847.28	719.39
Inventory Turnover Ratio (Days)	134.06	168.61
% Change from previous period / year	-20.49%	

(f) Trade receivables turnover ratio = Credit Sales divided by Closing Trade Receivables in to 365/366

Particulars	As at 31 March 2021	As at 31 March 2020
Credit Sales	4,498.16	3,018.06
Closing Trade Receivables	1,082.40	629.70
Trade Receibables Ratio (Days)	87.83	76.36
% Change from previous period / year	15.02%	

(g) Trade payables turnover ratio = Closing trade payables divided by Cost of Materials Consumed in to 365/366

Particulars	As at 31 March 2021	As at 31 March 2020
Cost of materials consumed	2,306.88	1,561.55
Closing Trade Payables	477.73	383.57
Trade Payables Turnover Ratio (Days)	75.59	89.90
% Change from previous period / year	-15.92%	

(h) Net capital Turnover Ratio =Revenue from Operations divided by Net Working capital whereas net working capital= current assets - current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Revenue from operations	4,498.16	3,018.06
Net Working Capital	716.22	299.33
Net Capital Turnover Ratio (Times)	6.28	10.08
% Change from previous period / year	-37.71%	

(i) Net profit ratio = Net profit after tax divided by Revenue from operations.

Particulars	As at 31 March 2021	As at 31 March 2020
Profit for the year	711.19	399.56
Revenue from operations	4,498.16	3,018.06
Ratio (Times)	0.16	0.13
% Change from previous period / year	19.43%	

(j) Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes(EBIT) divided by Capital Employed - pre cash

Particulars	As at 31 March 2021	As at 31 March 2020
Profit/(Loss) before tax* (A)	938.06	565.07
Finance Costs* (B)	113.15	93.76
Other Income* (C)	39.73	19.75
EBIT (D) = (A)+(B)-(C)	1,011.48	639.08
Capital Employed- Pre Cash (K)=(E)+(F)+(G)-(H)-(I)-(J)	3,548.80	2,451.53
Total Equity (E)	1,743.33	782.77
Non-Current Borrowings (F)	1,037.87	950.98
Current Borrowings (G)	1,044.13	753.91
Current Investments (H)	220.90	0.13
Cash and Cash equivalents (I)	35.14	0.73
Bank balances other than cash and cash equivalents (J)	20.49	35.27
Ratio (D)/(K) (%)	28.50%	26.07%
% Change from previous period / year	9.33%	

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AETHER INDUSTRIES LIMITED
Annexure VII - Statement of Adjustments to the Restated Standalone Financial Information
(All amounts in Indian Rupees millions, unless otherwise stated)

Summarised below are the restatement adjustments made to the equity of the Audited Standalone Financial Statements of the Company for the years ended 31 March 2021 and 31 March 2020 and their consequential impact on the equity of the Company:

Particulars	Notes reference	31 March 2021	31 March 2020
A. Total equity as per Restated Standalone Financial Information - IND AS		1,743.33	782.77
Adjustment:			
Material restatement Adjustment:			
(i) Audit qualifications	1	-	-
(ii) Adjustments due to prior period items / other adjustments	2	-	-
B. Total impact of adjustments (i + ii)		-	-
C. Total Equity as per ICDR restated Standalone Financial Statements (A +/- B)		1,743.33	782.77

Summarised below are the restatement adjustments made to the net profit of the audited standalone financial statements of the Company for the years ended 31 March 2021 and 31 March 2020 and their impact on the profit of the Company:

Particulars	Notes reference	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Net Profit after tax as per Restated Standalone Financial Information		711.19	399.56
Adjustment:			
Material restatement Adjustment:			
(i) Audit qualifications	1		
(ii) Adjustments due to prior period items / other adjustments	2		
B. Total impact of adjustments (i + ii)		-	-
C. Net Profit as per ICDR restated Standalone Financial Statements (A +/- B)		711.19	399.56

1. Adjustments for audit qualification : None

2. Adjustments due to prior period items / other adjustments.

3. Material regrouping :
Appropriate regroupings have been made in the Restated standalone balance sheet, Restated standalone Statement of Profit and Loss and Restated Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the period ended 31 March 2021 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

Non-adjusting items
1. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Standalone Financial Information: None

M. No. 107086 SURAT. ... ACCOUNT...

AETHER INDUSTRIES LIMITED Authorised SURAT

BIRJU S. SHAH & ASSOCIATES

113, INTERNATIONAL BUSINESS CENTRE, NR. BIG BAZAR,
PIPLOD, SURAT – 395 007.
Phone : (O) 91 99784 44603, (M) 91 98251 67067
Email :cabirjjushah@gmail.com, sarvam9@gmail.com

Date: June 19, 2023

To,

The Board of Directors
Aether Industries Limited
Plot No. 8203, GIDC,
Sachin, Surat- 394230
Gujarat, India

Sub: Auditor consent Letter in connection with the Special Purpose Audit Report and the Special Purpose Audited Standalone Ind AS Financial Statements

Re: Fund raising through issuance of equity shares or any other equity linked instruments or **securities including convertible preference shares, and / or bonds including foreign currency convertible bonds / debentures / non-convertible debt instruments along with warrants / convertible debentures / securities and / or any other equity based instruments, inter alia, a private placement or through one or more qualified institutions placement and / or further public issue of equity and / or rights issue and / or through any other permissible mode in accordance with the relevant provisions of applicable law (the "Potential Fund Raising")**

Ladies and Gentlemen,

We, Birju S. Shah & Associates have prepared the Audit Report on Special Purpose Audited Standalone Ind AS Financial Statements dated December 6, 2021 (the "**Special Purpose Audit Report**") upon auditing the Special Purpose Audited Standalone Ind AS Financial Statements of the Company, which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended March 31, 2021, and a summary of the significant accounting policies and other explanatory information (the "**Special Purpose Audited Standalone Ind AS Financial Statements**").

The Special Purpose Audit Report included the following:

"The financial statements are prepared solely to assist Aether Industries Limited to meet the requirements of preparation of Special Purpose Audited Standalone Ind AS Financial Statements in connection with its initial public offer. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Aether Industries Limited for the purpose of its initial public offer."

Further, the Special Purpose Audited Standalone Ind AS Financial Statements included the following:

"These Restated Financial Statements have been prepared as required under the SEBI ICDR Regulations for the purpose of inclusion in this Draft Red Herring Prospectus, prepared in terms of the requirements of: (a) Section 26 of Part 1 of Chapter III of the Companies Act, 2013 (the "Act"); (b) relevant provisions of the SEBI ICDR Regulations; and (c) the Guidance Note on Reports in Company

BIRJU S. SHAH & ASSOCIATES

113, INTERNATIONAL BUSINESS CENTRE, NR. BIG BAZAR, PIPLOD, SURAT – 395 007.
Phone : (O) 91 99784 44603, (M) 91 98251 67067
Email :cabirjiushah@gmail.com, sarvam9@gmail.com

*Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "**Guidance Note**").*

*"The Restated Ind AS Statement of Assets and Liabilities of the Company as at 31 March 2021 and the Restated Ind AS Statement of Profit and Loss, Restated Ind AS Statement of Changes in Equity and Restated Ind AS Statement of Cash Flows for the year ended 31 March 2021 (hereinafter collectively referred to as "**Restated Ind AS Financial Information**") have been prepared specifically for inclusion in the Draft Red Herring Prospectus (DRHP) to be filed by the Company with the Securities and Exchange Board of India ("**SEBI**") in connection with the proposed initial public offering ("IPO") through Offer for Sale of its equity shares."*

We have been informed by the management of the Company that in order to comply with applicable law and market practice in connection with any Potential Fund Raising, the Company requires Birju S. Shah & Associates to consent to the usage of the Special Purpose Audit Report and the Special Purpose Audited Standalone Ind AS Financial Statements for such purposes.

Accordingly, we, Birju S. Shah & Associates, do hereby consent to use in any offering document or prospectus ("**Offering Documents**") prepared in connection with the Potential Fund Raising, our Special Purpose Audit Report relating to the Special Purpose Audited Standalone Ind AS Financial Statements and the Special Purpose Audited Standalone Ind AS Financial Statements.

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

We are not and have not been engaged or interested in the formation or promotion or management of the Company and are in compliance with section 26(5) of the Companies Act.

We also hereby consent to the inclusion of extracts of this certificate in part or in full, in the Offering Documents and any other document to be issued or filed in relation to the Potential Fund Raising, including in any corporate or investor presentation made by or on behalf of the Company.

This certificate has been issued at the request of the Company for use in connection with any Potential Fund Raising and may accordingly be furnished as required to the Stock Exchanges or any other regulatory authorities as required. The aforesaid information may be relied upon any intermediaries appointed pursuant to any Potential Fund Raising and we undertake to immediately intimate such intermediaries in case of any changes to the above. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

For Birju S. Shah & Associates
ICAI Firm Registration Number: 131554W

Proprietor
Membership No. 107086
Place: Surat
UDIN: 23107086BGVLAX1584

BIRJU S. SHAH & ASSOCIATES
M. No.
107086
SURAT.
CHARTERED ACCOUNTANTS

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotments pursuant to the Issue shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them in our Company is set forth below.

No.	Name of the proposed Allottee	Percentage of post-Issue paid-up Equity Share capital^#
1.	SBI Healthcare Opportunities Fund	1.06%
2.	SBI Conservative Hybrid Fund	0.78%
3.	SBI Magnum Midcap Fund	2.46%
4.	SBI Multicap Fund	1.20%
5.	SBI Magnum Childrens Benefit Fund - Investment Plan	0.33%
6.	SBI Magnum Global Fund	2.34%
7.	Goldman Sachs Funds - Goldman Sachs India Equity Portfolio	0.77%
8.	INEVSCO INDIA SMALLCAP FUND 0	0.18%
9.	INVESCO INDIA GROWTH OPPORTUNITIES FUND 0	0.16%
10.	Invesco India Equity and Bond Fund	0.03%
11.	Invesco India Equity Savings Fund	0.01%
12.	BNP Paribas Arbitrage - ODI	0.08%
13.	Societe Generale	0.08%
14.	Societe Generale - ODI	0.08%
15.	AXIS MUTUAL FUND Trustee Limited A/C Axis Mutual Fund A/C Axis Business Cycles Fund	0.27%
16.	AXIS MUTUAL FUND Trustee Limited A/C Axis Mutual Fund A/C Axis Special Situations Fund	0.21%
17.	AXIS MUTUAL FUND Trustee Limited A/C Axis Mutual Fund A/C Axis Small Cap Fund	0.44%
18.	Edelweiss Trusteeship Co Ltd AC - Edelweiss MF AC - Edelweiss Recently Listed IPO Fund	0.19%
19.	Edelweiss Trusteeship Co Ltd AC - Edelweiss MF AC - Edelweiss Aggressive Hybrid Fund	0.05%
20.	Edelweiss Trusteeship Co Ltd AC - Edelweiss MF AC - Edelweiss Balanced Advantage Fund	0.28%
21.	Bandhan Midcap Fund	0.06%
22.	Bandhan Balanced Advantage Fund	0.10%
23.	Bandhan Flexi Cap Fund	0.29%
24.	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	0.24%
25.	HDFC MUTUAL FUND - HDFC BUSINESS CYCLE FUND	0.20%
26.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL CAP FUND	0.26%
27.	Edelweiss Tokio Life Insurance Company Limited -EQUITY MIDCAP FUND - SFIN ULIF001107/10/16ETLIMIDCAP147	0.10%
28.	Edelweiss Tokio Life Insurance Co. Ltd MANAGED FUND	0.01%
29.	Edelweiss Tokio Life Insurance Company Limited - EQUITY BLUE CHIP FUND (SFIN ULIF01226/11/18ETLBLUCHIP147)	0.01%
30.	ZUNO GENERAL INSURANCE LIMITED	0.04%
31.	WHITEOAK CAPITAL FLEXI CAP FUND	0.04%
32.	WHITEOAK CAPITAL BALANCED ADVANTAGE FUND	0.00%
33.	WHITEOAK CAPITAL MULTI ASSET ALLOCATION FUND	0.00%
34.	WHITEOAK CAPITAL MID CAP FUND	0.02%
35.	WHITEOAK CAPITAL TAX SAVER FUND	0.00%
36.	360 ONE FOCUSED EQUITY FUND	0.32%

No.	Name of the proposed Allottee	Percentage of post-Issue paid-up Equity Share capital^#
	Total	**12.70** %

^ Based on beneficiary position as on June 16, 2023
 # The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees have been disclosed on the basis of their respective DP ID and Client ID.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

____

Ashwin Jayantilal Desai
Managing Director

Date: June 22, 2023
Place: Surat

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under this Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____

Ashwin Jayantilal Desai
Managing Director

Date: June 22, 2023
Place: Surat

I am severally authorized by the Board of Directors of the Company, vide Board resolution dated June 22, 2023, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Ashwin Jayantilal Desai
Managing Director

Date: June 22, 2023
Place: Surat

AETHER INDUSTRIES LIMITED

Registered and Corporate Office
Plot No. 8203, GIDC Sachin,
Surat – 394 230, Gujarat, India
Telephone: +91 261 660 3360
Email: compliance@aether.co.in
Website: www.aether.co.in
CIN: L24100GJ2013PLC073434

Company Secretary and Compliance Officer:
Chitrarth Rajan Parghi
Plot No. 8203, GIDC Sachin,
Surat – 394 230, Gujarat, India.
Telephone: +91 261 660 3360
E-mail: compliance@aether.co.in

BOOK RUNNING LEAD MANAGERS

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

SBI Capital Markets Limited
1501, 15th Floor, Parinee Crescenzo,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051,
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

Birju S. Shah & Associates
113, International Business Centre,
Nr. Big Bazar, Piplod
Surat - 395 007,
Gujarat, India

INDIAN LEGAL COUNSEL TO OUR COMPANY

J. Sagar Associates
Vakils House,
18 Sprott Road, Ballard Estate
Mumbai - 400 001
Maharashtra, India

INDIAN LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

Trilegal
One World Centre
10th Floor, Tower 2A & 2B,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400 013
Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE BRLMs

Dentons US LLP
2000 McKinney Avenue
Suite 1900,
Dallas, Texas – 75201
United States

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is for reference and for the purposes of compliance with applicable law only, and no Bids in this Issue should be made through the sample Application Form. The Company, in consultation with the BRLMs, will identify Eligible QIBs and circulate serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in this Issue should be made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form, and not on the basis of the indicative format below.)

aether
elementally innovative

(*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*)
Registered and Corporate Office: Plot No. 8203, GIDC Sachin, Surat – 394 230, Gujarat, India
Telephone: +91 261 660 3360 | **Email**: compliance@aether.co.in
Website: www.aether.co.in
CIN: L24100GJ2013PLC073434 | **LEI:** 335800N7FL6LX9XELD45 | **ISIN:** INE0BWX01014

APPLICATION FORM

Name of Bidder: ______________________________________

Form No: ____

Date: ____________________________

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] MILLION UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY AETHER INDUSTRIES LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 984.90 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 282 and 292, respectively, in the accompanying preliminary placement document dated June 19, 2023 (the "PPD").

ELIGIBLE NON-RESIDENT QIBs CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019, ("FEMA RULES"). ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
AETHER INDUSTRIES LIMITED
Plot No. 8203, GIDC Sachin,
Surat – 394 230, Gujarat, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others ________________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "*Application Form*" under Issue Procedure section of the PPD.
** Sponsor and Manager should be Indian owned and controlled.*
***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with HDFC Bank Limited and SBI Capital Markets Limited (the "**BRLMs**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Gujarat at Ahmedabad (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and the National Stock Exchange of India Limited (the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("RBI") and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors"*, *"Representations by Investors"*, *"Issue Procedure"*, *"Selling Restrictions"* and "Transfer Restrictions" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs; and (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States 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. **By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States (as defined under Regulation S) and are purchasing Equity Shares in an "offshore transaction" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.** We confirm that we have read and agree with the representations, warranties and agreements contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" of the PPD.

BIDDER DETAILS (in Block Letters)				
NAME OF BIDDER*				
NATIONALITY				
REGISTERED ADDRESS				
CITY AND CODE				
COUNTRY				
TELEPHONE NO.			**FAX. NO.**	
EMAIL ID				
LEI				
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/IFs**		**SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for**

			SI-NBFCs / IRDAI Registration details for ICs

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs.*
***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY 3.00 P.M. (IST), [●], 2023, [●]	
Name of the Account	AETHER INDUSTRIES LIMITED – QIP ACCOUNT
Name of the Bank	ICICI Bank Limited
Address of the Branch of the Bank	163, 5th Floor, H.T.Parekh Marg, Backbay Reclamation, Churchgate, Mumbai- 400020
Account Type	QIP Account
Account Number	000405142884
LEI Number	335800N7FL6LX9XELD45
IFSC	ICIC0000004
Tel No.	8976032689 (Bharti Thakur / Account Manager)
E-mail	thakur.bharti@icicibank.com and ipocmg@icicibank.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "AETHER INDUSTRIES LIMITED – QIP ACCOUNT". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS			
Depository Name(Please ✓)	National Security Depository Limited		Central Depository Services (India) Limited
Depository Participant Name			
DP – ID	I N		
Beneficiary Account Number			(16 digit beneficiary account. No. to be mentioned above)
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**			

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	

ENCLOSURES ATTACHED

Attested/ certified true copy of the following:
- ☐ Copy of PAN Card or PAN allotment letter
- ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF

Signature of Authorised Signatory (may be signed either physically or digitally)**		☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank ☐ Copy of notification as a public financial institution ☐ FIR ☐ Copy of IRDAI registration certificate ☐ Intimation of being part of the same group ☐ Certified true copy of Power of Attorney ☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*
***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.
(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs.
(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.
(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.