



Please Scan this QR Code to view the Letter of Offer

Letter of Offer
January 9, 2025
For Eligible Equity Shareholders only



Camlin Fine Sciences Limited

Our Company was incorporated on November 30, 1993, pursuant to certificate of incorporation issued by RoC, as a private limited company under the name of "Camlicon Consultants Private Limited". The name of our Company was changed to "Camlin Fine Chemicals Private Limited" and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on June 1, 2006. The name of our Company was changed to "Camlin Fine Chemicals Limited" and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the RoC on August 11, 2006. The name of our Company was then changed to "Camlin Fine Sciences Limited" and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on August 27, 2011.

Registered Office: Floor 2 to 5, Building "In G. S. Point", Plot No. VIII, Private Layout Scheme, Opp. University Campus, C.S.T. Road, Kalina, Santacruz (East), Mumbai, Maharashtra, 400098 **Contact Person:** Rahul Sawale, Company Secretary and Compliance Officer

Registered Office Telephone: +91 022 6700 1000 | **E-mail id:** secretarial@camlinfs.com | **Website:** <https://www.camlinfs.com>

Corporate Identity Number: L74100MH1993PLC075361

PROMOTERS OF OUR COMPANY:

ASHISH DANDEKAR, ANAGHA DANDEKAR, CAMART FINANCE LIMITED, VIBHA AGENCIES PRIVATE LIMITED, CAFCO CONSULTANTS LIMITED, MK FALCON AGRO TECH PRIVATE LIMITED, INFINITY HOLDINGS, INFINITY DIRECT HOLDINGS, INFINITY DIRECT HOLDINGS SIDECAR I, INFINITY PORTFOLIO HOLDINGS AND ANFIMA NV

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF CAMLIN FINE SCIENCES LIMITED
(OUR "COMPANY" OR THE "ISSUER" ONLY)

ISSUE OF UP TO 2,04,26,244 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹1 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹110/- PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹109/- PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹ 2,24,68,86,840/- # ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 5 (FIVE) RIGHTS EQUITY SHARES FOR EVERY 41 (FORTY-ONE) FULLY PAID UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS WEDNESDAY, JANUARY 8, 2025 ("RECORD DATE") (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" BEGINNING ON PAGE 285 OF THIS LETTER OF OFFER.

WILFUL DEFAULTER(S) OR FRAUDULENT BORROWER(S)

Neither our Company nor our Promoters or any of our Directors have been identified as Wilful Defaulter(s) or Fraudulent Borrower(s) by Reserve Bank of India ("RBI") or any other Government Authority.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 26 of this Letter of Offer before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") (together, the "Stock Exchanges"). Our Company has received 'in-principle' approvals from the BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letters dated December 27, 2024 and December 30, 2024, respectively. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI RIGHTS ISSUE CIRCULARS. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGERS TO THE ISSUE

REGISTRAR TO THE ISSUE

CENTRUM	InCred Capital	MUFG
<p>Centrum Capital Limited Level 9, Centrum House, C.S.T Road, Vidyanageri Marg Kalina, Santacruz East, Mumbai 400098 Telephone: +91 22 4215 9000 E-mail: camlin.rights@centrum.co.in Investor grievance e-mail id: igmbd@centrum.co.in Contact person: Pooja Sanghvi/Tarun Parmani Website: www.centrum.co.in SEBI Registration No: INM000010445</p>	<p>InCred Capital Wealth Portfolio Managers Private Limited Unit No 1203, 12th Floor, B Wing, The Capital C-70, G Block, BKC, Bandra (E), Mumbai 400051 Telephone: +91-22-4161-1500 E-mail: camlin.rights@incredcapital.com Investor grievance e-mail id: customer.grievance@incredcapital.com Contact person: Harish Mallawat Website: https://www.incredequities.com/ SEBI Registration No: INM000012865</p>	<p>MUFG Intime India Private Limited (Previously known as, "Link Intime India Private Limited") C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400 083, Maharashtra, India Telephone: +91 81081 14949 Email: camlin.rightsissue@linkintime.co.in Investor grievance e-mail: camlin.rightsissue@linkintime.co.in Contact Person: Shanti Gopalakrishnan Website: www.linkintime.co.in SEBI Registration No.: INR000004058</p>

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON-MARKET RENUNCIATIONS*	ISSUE CLOSES ON#
FRIDAY, JANUARY 17, 2025	TUESDAY, JANUARY 21, 2025	MONDAY, JANUARY 27, 2025

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

#Our Board/Securities Issue and Allotment Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer 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 Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

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

*The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the SEBI LODR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in sections / chapters titled "**Industry Overview**", "**Statement of Tax Benefits**", "**Financial Information**", "**Outstanding Litigation and Defaults**" and "**Terms of the Issue**" on pages 83, 75, 111, 267 and 285 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.*

General Terms

Term	Description
"Camlin Fine Sciences Limited" or "Our Company" or "the Company" or "the Issuer" or "CFS"	Camlin Fine Sciences Limited, a Public Limited Company incorporated under the Companies Act, 1956 and having its Registered Office at Floor 2 to 5, Building "In G. S. Point", Plot No. VIII, Private Layout Scheme, Opp. University Campus, C.S.T. Road, Kalina, Santacruz (East), Mumbai, Maharashtra, 400098.
"We", "Our", "Us", or "Our Group"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company.

Company Related Terms

Term	Description
AlgaR Nutraceuticals	AlgaR Nutraceuticals Private Limited
Articles of Association / Articles / AoA	The Articles of Association of our Company, as amended from time to time.
Audit Committee	Audit Committee of our Board.
Audited Financial Statements	The Audited Financial Statements include Audited Consolidated Financial Statements and Audited Standalone Financial Statements of our Company.
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company as at and for the financial year ended March 31, 2024 (along with comparative financial statements for the financial year ended March 31, 2023) prepared in accordance with applicable accounting standards, which comprises the balance sheet as at March 31, 2024 (along with comparative balance sheet as at March 31, 2023) and the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For further information, see " Financial Information " on page 111 of this LOF.
Audited Standalone Financial Statements	The audited standalone financial statements of our Company as at and for the financial year ended March 31, 2024 (along with comparative financial statements for the financial year ended March 31, 2023) prepared in accordance with applicable accounting standards, which comprises the balance sheet as at March 31, 2024 (along with comparative balance sheet as at March 31, 2023) and the statement of

Term	Description
	profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
Auditor / Statutory Auditor	The current Statutory Auditor of our Company, namely, M/s. Kalyaniwalla & Mistry LLP
Board / Board of Directors	Board of Directors of our Company. For details of the Board of Directors, see " Our Management " on page 105 of this LOF
Chairman and Managing Director	Mr. Ashish Dandekar, the Chairman and Managing Director of our Board
Committee(s)	Duly constituted committee(s) of our Board of Directors
Company Secretary and Compliance Officer	Mr. Rahul Sawale, the Company Secretary and the Compliance Officer of our Company
CFS Argentina	CFS Argentina SA, our wholly owned subsidiary
CFS Brazil	CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda., our wholly owned subsidiary
CFS Canada	Solentus North America Inc, our wholly owned subsidiary
CFS Chile	CFS Chile SpA, our wholly owned subsidiary
CFS Europe	CFS Europe S.p.A., our wholly owned subsidiary
CFS Mexico	CFS de Mexico Blends S.A.P.I. DE C.V., our wholly owned subsidiary
CFS North America	CFS North America LLC., our wholly owned subsidiary
CFS China	CFS Wanglong Flavors (Ningbo) Co. Ltd., our subsidiary
Chemolutions Chemicals	Chemolutions Chemicals Ltd., our subsidiary
Director(s)	Directors on the Board, as may be appointed from time to time
Dresen Group	Dresen Mexico and its wholly owned subsidiaries namely, Industrias Petrotec de Mexico, S.A. de C.V., Nuvel S.A.C., Britec S.A., Inovel S.A.S. and Grinel S.R.L.
Dresen Mexico	Dresen Quimica S.A.P.I. De C.V
Equity Shareholder(s) / Shareholders	A holder of Equity Share(s) of our Company, from time to time
Equity Shares	Equity shares of face value of ₹ 1/- each of our Company
ESOP Scheme 2018	CFS Employees Stock Option Scheme, 2018
ESOP Scheme 2020	CFS Employees Stock Option Plan, 2020
Executive Director(s)	Executive Director(s) of our Company. For details of the Executive Director(s), see " Our Management " on page 105 of this LOF
Independent Director(s)	Independent Director of our Company as per Section 2(47) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, and as described in the chapter " Our Management " on page 105 of this LOF
Infinity Group	Infinity group includes Infinity Holdings, Infinity Direct Holdings and Infinity Direct Holdings Sidecar I.
Key Managerial Personnel / KMP	Key Managerial Personnel of our Company as per the definition provided in Section 2(51) of the Companies Act, 2013 and Regulation 2(1) (bb) of the SEBI ICDR Regulations as described in the " Our Management " on page 105 of this LOF.
Limited Reviewed Financial Statements	The Limited Reviewed Financial Statements include Limited Reviewed Consolidated Financial Statements and Limited Reviewed Standalone Financial Statements of our Company.
Limited Reviewed Consolidated Financial Statements	The limited reviewed unaudited consolidated financial results for the quarter and half year ended September 30, 2024 and September 30, 2023 prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see " Financial Information " on page 111 of this LOF.
Limited Reviewed Standalone Financial Statements	The limited reviewed unaudited standalone financial results for the quarter and half year ended September 30, 2024 and September 30, 2023 prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see " Financial Information " on page 111 of this LOF.

Term	Description
Material Subsidiary(ies)	Subsidiaries whose income or net worth exceeds 10% of the consolidated income or net worth of our Company in the immediately preceding accounting year, i.e., Financial Year 2024, being CFS Europe, CFS North America, and Dresen Mexico.
Materiality Policy	Policy for Determination and Disclosure of Materiality of Events or Information formulated in accordance with SEBI Listing Regulations, read with the materiality threshold as amended and adopted by the Board of Directors through its resolution dated November 6, 2023.
Materiality Threshold	Materiality threshold adopted by our Company in relation to the disclosure of outstanding civil litigation, including tax litigation, involving our Company and/or our Subsidiaries, where the amount involved is ₹ 341.76 lakhs (being 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company).
Memorandum of Association / Memorandum / MoA	of The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	Nomination and Remuneration Committee of our Board.
Non-convertible Debentures/NCDs	Senior, secured, redeemable, unlisted, unrated, non-convertible debentures of face value of ₹ 1,00,000/- each of our Company
Non-executive Director(s)	Non-executive Director(s) on our Board, as described in " Our Management " on page 105 of this LOF.
Promoters	The promoters of our Company being, Ashish Dandekar, Anagha Dandekar, Camart Finance Limited, Vibha Agencies Private Limited, Cafco Consultants Limited, MK Falcon Agro Tech Private Limited, Infinity Holdings, Infinity Direct Holdings, Infinity Direct Holdings Sidecar I, Infinity Portfolio Holdings and Anfima NV.
Promoter Group	Persons and / or entities constituting the promoter group as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company is Floor 2 to 5, Building "In G. S. Point", Plot No. VIII, Private Layout Scheme, Opp. University Campus, C.S.T. Road, Kalina, Santacruz (East), Mumbai, Maharashtra, 400098.
Registrar of Companies / RoC	The Registrar of Companies, Mumbai, Maharashtra.
Securities Issue and Allotment Committee/SIAC	Securities Issue and Allotment Committee of our Board. The SIAC is empowered to do acts for the purposes of the Issue and incidental matters thereof.
Stakeholders' Relationship Committee	Stakeholder Relationship Committee of our Board
Subsidiaries	Subsidiaries and step-down subsidiaries of our Company, being: <ol style="list-style-type: none"> 1. AlgalR Nutraceuticals 2. CFS Mexico 3. CFS Europe 4. CFS Brazil 5. CFS Canada 6. CFS North America 7. Dresen Mexico 8. Industrias Petrotec de Mexico, S.A. de C.V. 9. Nuvel S.A.C. 10. Britec S.A. 11. Inovel S.A.S. 12. Grinel S.R.L. 13. Chemolutions Chemicals 14. CFS Argentina 15. CFS Chile 16. CFS China 17. CFS Pahang Asia Pte Ltd.

Term	Description
	18. CFS PP (M) SDN. BHD 19. Vitafor Belgium 20. Vitafor NV 21. Addi-Tech NV 22. Vitafor China Limited 23. Europe Bio Engineering BV
Vitafor Acquisition	Acquisition of Vitafor Group by Dresen Mexico pursuant to the share purchase agreement dated June 11, 2024 executed between Dresen Mexico and Vitafor Belgium.
Vitafor Belgium	Vitafor Invest NV, our step-down subsidiary
Vitafor Group	Vitafor Belgium and its wholly owned subsidiaries namely, Vitafor NV, Addi-Tech NV, Vitafor China Limited, Europe Bio Engineering BV and associate of Vitafor NV, i.e. Vial SARL.

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment / Allot / Allotted	Unless the context otherwise requires, the Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account	The accounts opened with the Banker(s) to the Issue, into which the Application Money blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, State Bank of India
Allotment Advice	The note, advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date / Date of Allotment	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online / electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price
Application Form / Common Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue
Application Money	Aggregate amount payable at the time of Application, i.e., ₹ 110/- per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Applicants to make an application authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB.

Term	Description
ASBA Account	Account maintained with the SCSB and as specified in the Application Form or the plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being State Bank of India.
Banker to the Issue Agreement	Agreement dated January 9, 2025, entered into by and among our Company, the Registrar to the Issue, the Lead Managers and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application for the Rights Equity Shares
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in " Terms of the Issue " on page 285 of this LOF
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, occupation and bank account details, where applicable.
Designated Branches / Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Eligible Equity Shareholder(s) / Eligible Shareholder(s)	Existing Equity Shareholder(s) as on the Record Date i.e., Wednesday, January 8, 2025. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see " Notice to Investors " on page 15 of this LOF.
FPI	Foreign portfolio investors as defined and registered under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent Borrower as defined under Regulations 2(1) (III) of the SEBI ICDR Regulations
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, Wednesday, January 8, 2025, and the Renouncee(s).
Issue Agreement	Agreement dated January 9, 2025, entered into between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue.
ISIN	International Securities Identification Number
Issue / Rights Issue	Issue of up to 2,04,26,244 Rights Equity Shares of face value of ₹1/- each of our Company for cash at a price of ₹110/- per Rights Equity Share (including a premium of ₹109/- per Rights Equity Share) aggregating up to ₹2,24,68,86,840/-* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 5 (Five)

Term	Description
	Rights Equity Shares for every 41 (Forty-One) fully paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date. <i>*Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment</i>
Issue Closing Date	Monday, January 27, 2025
Issue Materials	Collectively, this Letter of Offer, Abridged Letter of Offer, Application Form, Rights Entitlement Letter, any other issue material relating to the Issue
Issue Opening Date	Friday, January 17, 2025
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants / Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹110/- per Rights Equity Share.
Issue Proceeds/ Gross Proceeds	The gross proceeds raised through the Issue
Issue Size	Amount aggregating up to ₹ 2,24,68,86,840# <i>#Assuming full subscription with respect to Rights Equity Shares</i>
Lead Managers / LMs	Centrum Capital Limited / Centrum and InCred Capital Wealth Portfolio Managers Private Limited / InCred
Letter of Offer / LOF	This Letter of Offer dated January 9, 2025, filed with the Stock Exchanges and submitted to SEBI
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
Monitoring Agency	India Ratings and Research Private Limited
Monitoring Agency Agreement	Agreement dated January 7, 2025, between our Company and the Monitoring Agency in relation to monitoring of Gross Proceeds
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder / Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with / without using additional Rights Entitlements will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to " Objects of the Issue " on page 69 of this LOF
Non-Institutional Investor / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1) (jj) of the SEBI ICDR Regulations
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Tuesday, January 21, 2025.
Qualified Institutional Buyer / QIB	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being Wednesday , January 8, 2025
Registrar to the Issue / Registrar to the Company / Registrar	MUFG Intime India Private Limited <i>(Previously known as, "Link Intime India Private Limited")</i>
Registrar Agreement	Agreement dated January 6, 2025, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue

Term	Description
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) has been opened in this case being State Bank of India
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circulars, the Companies Act and any other applicable law
RE ISIN	ISIN for Rights Entitlement i.e. INE052I20016
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. Friday, January 17, 2025. Such period shall close on Tuesday, January 21, 2025, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e., Monday, January 27, 2025.
Rights Entitlement(s) / RE(s)	<p>Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of the Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being Wednesday, January 8, 2025, would be 5 (Five) Rights Equity Shares for every 41 (Forty-One) Equity Shares held by an Eligible Equity Shareholder.</p> <p>Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.</p> <p>The Rights Entitlements with a separate RE ISIN will be credited to the respective demat account of Eligible Equity Shareholder before the Issue Opening Date, against the Equity Shares held by the Eligible Equity Shareholders as on the Record Date.</p>
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements will also be accessible on the website of our Company and Registrar
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
RoC	Registrar of Companies
SEBI Rights Issue Circulars	SEBI master circular bearing number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
SCSB(s) / Self-Certified Syndicate Banks	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Stock Exchanges	Stock exchanges where the Equity Shares of our Company are presently listed, i.e., BSE Limited and National Stock Exchange of India Limited
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter / Fraudulent Borrower	Company or person, as the case may be, categorized as a wilful defaulter or a 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 issued by RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Maharashtra are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays,

Term	Description
	Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Business and Industry Related Terms

Term	Description
AlgalR Facility	Manufacturing facility of AlgalR Nutraceuticals located in Thanjavur, Tamil Nadu, India.
ASEAN	Association of Southeast Asian Nations
Belgium Facility	Manufacturing facility of Vitafor Group located in Sint-Niklaas, Belgium
BHA	Butylated Hydroxyanisole
Brazil Facility	Manufacturing facility of CFS Brazil located in Indaiatuba, Brazil
Chemolutions Facility	Manufacturing facility of our Company located in Tarapur, Maharashtra, India
China Facility	Manufacturing facility of CFS China located in Zhejiang, China
CME	2-chloro-1,4-dimethoxybenzene
Dahej SEZ Facility	Manufacturing facility of our Company located in Dahej SEZ, Gujarat, India
Debenture Trust Deed/DTD	the Debenture Trust Deed dated December 05, 2024 executed by and between our Company and Vistra ITCL (India) Limited
Diphenol	A chemical compound (Hydroquinone and Catechol) containing two phenolic hydroxyl groups
DHA	Docosahexaenoic Acid
ECC	ERP Central Component
EHP	Enhancement Package
EXIM	Export-Import Bank of India
FAMIQS	Feed Additives and Pre-mixtures Quality System
GIDC	Gujarat Industrial Development Corporation
HQEE	Hydroquinone Bis (2-hydroxyethyl) Ether
IBEF	India Brand Equity Foundation
IFC	International Finance Corporation
Iowa Facilities	Third Party manufacturing facilities located in Iowa, USA
Italy Facility	Manufacturing facility of CFS Europe located in Ravenna, Italy
Khopoli Facility	Manufacturing facility of our Company located in Khalapur, Maharashtra, India
Mahad Facility	Third Party manufacturing facility located in Mahad, Maharashtra, India
MEHQ	Monomethyl Ether Of Hydroquinone
Mexico Facility	Manufacturing facility of Dresen Group located in Mexico City, Mexico
MIDC	Maharashtra Industrial Development Corporation
ODEB	1,2-diethoxybenzene
PDMB	Para Di-methoxy Benzene
R&D	Research and Development
SAP	Systems, Applications & Products in Data Processing
Tarapur Facility	Manufacturing facility of our Company located in Tarapur, Maharashtra, India
TBC	4-tert-Butylcatechol
TBHQ	Tertiary Butylhydroquinone
Thrissur Facility	Third Party manufacturing facility located in Thrissur, Kerala, India
TReDS	Trade Receivables electronic Discounting System
Vanillin Products	Vanillin and Ethyl Vanillin
VPN	Virtual Private Network

Conventional and General Terms/Abbreviations

Term	Description
₹ / Rs. / Rupees / INR	Indian Rupees
A/c	Account
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
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CBDT	Central Board of Direct Taxes, Government of India
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
Central Government	Central Government of India
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Civil Code	Code of Civil Procedure 1908
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with the rules made thereunder
Covid-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a Pandemic on March 11, 2020.
CSR	Corporate Social Responsibility
Cr. PC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DTAA	Double Taxation Avoidance Agreement
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, tax, depreciation and amortization
ECS	Electronic Clearance Service
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
Euro/EUR/€	Euro, the legal currency of the European Union
FCNR Account	Foreign Currency Non-Resident (Bank) account opened in accordance with the FEMA

Term	Description
FDI	Foreign Direct Investment
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year / Fiscal	Period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year, unless otherwise stated
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
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 the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
IBC / Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
IBEF	India Brand Equity Foundation
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IEPF Authority	Investor Education and Protection Fund Authority established by the GOI under Section 125 of the Companies Act, 2013
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IMF	International Monetary Fund
Income Tax Act / IT Act	Income-tax Act, 1961
Ind AS	The Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles of India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
ISIN	International Securities Identification Number
IBC	Insolvency and Bankruptcy Code, 2016, as amended
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
KMP	Key Managerial Personnel
Ltd.	Limited
MCA	Ministry of Corporate Affairs
Mexican Peso/ MXN/ Mex\$	Mexican Peso, the legal currency of the United Mexican States
Mn / mn	Million
MSME	Micro Small and Medium Enterprises

Term	Description
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House
Net Worth	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NBFC	Non-Banking Financial Companies
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPA	Non-Performing Assets
NRE Account	Non-resident External Account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non-Resident Ordinary
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
Pvt. Ltd.	Private Limited
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SARFAESI	Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations / SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations / Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended

Term	Description
Securities Act	The United States Securities Act of 1993
SMP	Senior Management Personnel
SMS	Short Message Service
STT	Securities Transaction Tax
State Government	The Government of a State in India
Supreme Court	Supreme Court of India
UK	United Kingdom
U.S.\$ / USD / U.S. Dollar / US\$ / US Dollar / \$	United States Dollar, the legal currency of the United States of America
USA / U.S. / US / United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VCFs	Venture capital funds 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
w.e.f.	With effect from
Year / Calendar Year	Unless context otherwise requires, shall refer to the twelve-months period ending December 31 of a particular year

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material (collectively termed as, the “**Issue Materials**”) and the issue of Rights Entitlement and the Rights Equity Shares to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come, are required to inform themselves about and observe such restrictions. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Issue Materials will be sent/ dispatched only to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. The overseas Eligible Equity Shareholders who have not updated their records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent to such overseas Eligible Equity Shareholders.

The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Managers or their affiliates to any filing or registration requirement (other than in India). If Issue Materials is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see "*Restrictions on Purchases and Resales*" on page 319 of this LOF.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders (being the Equity Shareholders as on the Record Date), however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. In case such Eligible Equity Shareholders, who have provided an Indian address to our Company, have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any of the Issue Materials.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Managers and the Stock Exchanges.

Our Company, the Lead Managers, and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue Materials in the event the Issue Materials have been sent on the registered email addresses as provided by such Eligible Equity Shareholders.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials or advertisements in connection with the Issue may not be distributed, whole or in part, in or into in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by

anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Equity Shares and the Rights Entitlements, distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If the Issue Materials are received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares and the Rights Entitlements referred to in the Issue Materials.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or their respective affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Other Regulatory Statutory Disclosures – Selling Restriction*" on page 281 of this LOF.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares and Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares and Rights Entitlements. For restrictions relating to any change in shareholding of 5% or more of the total issued capital of our Company, see "*Terms of the Issue*" on page 285 of this LOF.

In addition, neither our Company nor the Lead Managers or its affiliates are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The above information is given for the benefit of the Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR TO THE ISSUE. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENT AND THE RIGHTS EQUITY SHARES ARE OFFERED AND SOLD ONLY TO INVESTORS OUTSIDE THE UNITED STATES IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND IN RELIANCE, ON REGULATION S. NONE OF THE RIGHTS ENTITLEMENT OR THE RIGHTS EQUITY SHARES HAS BEEN, OR WILL BE, REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS IN 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 SECURITIES ACT AND APPLICABLE U.S. STATE SECURITIES LAWS.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited (listed) company under the laws of India and all the Executive Directors are residents of India. It may not be possible or may be difficult for investors to affect service of process upon our Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “Civil Procedure Code”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code.

Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction. 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. A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

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

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer have been derived from our Audited Consolidated Financial Statements and Limited Reviewed Consolidated Financial Statements. For details, please see "**Financial Information**" beginning on page 111 of this LOF. Our Company's financial year commences on April 01 and ends on March 31 of next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Government of India has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**").

The Audited Financial Statements and Limited Review Financial Statements of our Company have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees in Lakhs.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures.

There are significant differences between Ind AS and IFRS. We have not provided a reconciliation of the financial information to IFRS. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. For further information, see "**Financial Information**" beginning on page 111 of this LOF.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column

or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000; one million represents 1,000,000 or 10 lakh and one crore represents 10,000,000 or 100 lakh or 10 million. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" beginning on pages 26, 89, and 237 and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

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

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

Name of the Currency	As of September 30, 2024	As of September 30, 2023	(in ₹)	
			As of March 31, 2024*	As of March 31, 2023
United States Dollar	83.79	83.06	83.37	82.22
Euro	93.53	87.94	90.22	89.61
Mexican Peso	4.26	4.78	5.02	4.56

(Source: www.fbil.org.in, www.exchangerates.org.uk)

Note: In case if March 31 and September 30 of any of the respective years / period is a public holiday, the previous Working Day not being a public holiday has been considered.

*As March 31, 2024, March 30, 2024, and March 29, 2024, were public holidays, the exchange rate as of March 28, 2024, has been considered

Industry and Market Data

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" beginning on page 26 of this LOF. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward looking statements'. Investors can generally identify forward looking statements by terminology such as, 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (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 the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- (a) Our operations are dependent on our R&D capabilities and an inability to continue to design catalytic processes may adversely affect our business.
- (b) A large part of our business includes manufacturing, marketing and supply of specialty chemicals. Any adverse change in the ultimate end user industries of our products can adversely impact our business, results of operations and financial condition.
- (c) We depend on the success of our relationship with our customers. A certain portion of our revenue is generated from few key customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects or a reduction in their demand for our products could affect our business, results of operations, financial condition and cash flows.
- (d) The rating of our bank facilities was recently downgraded from IND A- to IND BBB. This downgrade reflects deterioration in our Company's operating performance during Fiscal 24. Any further downgrade in our credit ratings may increase interest rates for raising new debt and refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis.
- (e) Our statutory auditors have referred to certain emphasis of matters in their reports on the Audited Consolidated Financial Statements and the Limited Reviewed Consolidated Financial Statements.
- (f) Certain properties of our Company, including our Registered Office, are not owned by us but taken on leave and license basis. Further, our manufacturing facilities are not located on land owned by us and we only have leasehold rights. Our inability to renew the lease agreements and/or leave and license agreements, or any adverse impact on the title or ownership rights of our landlords/owners in relation to these premises may impede our operations.
- (g) Our Company is involved in certain legal and other proceedings. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations and financial condition.
- (h) Our Company has reported negative cash flows from its investing and financing activities, details of which are given below. There is no assurance that we will be cost effective in our operations or achieve profitability in the future.
- (i) As of September 30, 2024 we had contingent liabilities which have not been provided for in our Limited Reviewed Financial Statements that could adversely affect our financial condition.
- (j) Our substantial indebtedness, along with restrictive covenants in lender sanction letters, exposes us to various risks which may have an adverse effect on our business and results of operations.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 26, 89 and 237, respectively.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company undertakes no 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 Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI and Stock Exchanges requirements, our Company and the Lead Managers will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchanges.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, “*Risk Factors*”, “*Objects of the Issue*”, “*Our Business*”, “*Industry Overview*” and “*Outstanding Litigation and Material Developments*” beginning on pages 26, 69, 89, 83 and 267, respectively of this Letter of Offer.

Primary Business of our Company

We are a vertically integrated company, engaged in research, development, manufacturing, commercialising, and marketing of specialty chemicals and blends which are used in a wide array of food, feed, animal and pet nutrition, fragrance, pharma and industrial products. We market our products globally including in Europe, Asia Pacific (including India), Africa, Middle East, South, Central and North America. We categorise our business into four different verticals based on our product portfolio, namely: (i) Diphenols; (ii) Shelf-life Extension Solutions (which include antioxidants, its value-added blends, ingredients and additives); (iii) Performance Chemicals; (iv) Aroma ingredients. We have recently achieved a significant milestone in developing a high-quality specialised grade for Hydroquinone, leading us into the crucial phase of conducting plant trials. We have also successfully developed and implemented enhanced quality of antioxidants, tailored specifically for discerning customers. These products have smoothly transitioned from R&D to full-scale production and have made market debut. Our newest offerings include emulsifier-based ingredients designed to enhance texture, consistency, mouthfeel, appearance, process efficiency and yield for diverse range of food industry applications.

For further information, please refer to “*Our Business*” beginning on page 89 of this LOF.

Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

	<i>(in ₹ Lakhs)</i>
Particulars	Estimated Amount
Gross proceeds from the Issue [^]	22,468.87
Less: Estimated Issue related expenses	(198.74)
Net Proceeds	22,270.13
Repayment or prepayment, in full or in part, of certain borrowings availed by our Company	16,905.29
General Corporate Purposes [#]	5,364.84
Total Net Proceeds*	22,270.13

[^] Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

[#]The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds of the Issue.

For further details, please see chapter titled “*Objects of the Issue*” beginning on page 69 of this LOF.

Intention and extent of participation by our Promoters and Promoter Group with respect to their rights entitlement

Pursuant to letters each dated December 18, 2024, our Promoters and Promoter Group members, respectively have confirmed to (a) subscribe, to the full extent of their Rights Entitlement (“RE”) in the Issue or renounce their RE in the favor of the other Promoters/Promoter Group of our Company and (b) if subscribed to the full extent of their RE, our Promoters/Promoter Group have confirmed to subscribe to the additional Equity Shares in the Issue, either in the form of subscription to the RE renounced in their favour and/or subscription to the additional Equity Shares as a Renounee or otherwise. Such subscription, if any, to be made, shall be in accordance with Regulation 3 of the Takeover Regulations and the exemption under Regulation 10(4) of Takeover Regulations. Further, such subscription shall not result in breach of minimum public shareholding requirement stipulated in the SEBI Listing Regulations and the SCRR, as amended.

Further, as the Objects of the Issue involve repayment or prepayment, in full or in part, of certain borrowings availed by our Company, the minimum subscription of 90% as per Regulation 86 of SEBI ICDR Regulations will not be applicable to this Issue.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company as on the date of this Letter of Offer is provided below:

<i>(₹ in lakhs)</i>		
Type of Proceeding	Number of Cases	Aggregate amount involved*
Cases by our Company		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Cases against our Company		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	1	1,712.31
Material violations of statutory regulations	Nil	Nil
Matters involving economic offences where proceedings have been initiated	Nil	Nil
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
Tax cases involving our Company		
Direct tax proceedings	4	2,000.34
Indirect tax proceedings	1	356.02
Cases by our Subsidiaries		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Cases against our Subsidiaries		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Material violations of statutory regulations	Nil	Nil
Matters involving economic offences where proceedings have been initiated	Nil	Nil
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
Tax cases involving our Subsidiaries		
Direct tax proceedings	Nil	Nil
Indirect tax proceedings	Nil	Nil

*To the extent quantifiable

For further information on the outstanding litigation proceedings, please refer to “**Outstanding Litigation and Material Developments**” on page 267 of this LOF.

Risk Factors

For details, please refer to the chapter titled “**Risk Factors**” beginning on page 26 of this LOF.

Contingent Liabilities

For details, please refer to the section titled “*Financial Information*” beginning on page 111 of this LOF.

Related Party Transactions

For details, please refer to the section titled “*Financial Information*” beginning on page 111 of this LOF.

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

Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of this Letter of Offer.

Split or consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of Equity Shares in the last one year preceding the date of this Letter of Offer.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Letter of Offer, including the risks and uncertainties described below and the "Financial Information" on page 111 of this Letter of Offer, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages, 83, 89 and 237, respectively, as well as the other financial information included in this Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Letter of Offer also contains forward-looking statements that involve risks 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 Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, please refer to "Forward Looking Statements" on page 21 of this Letter of Offer.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements included in this Letter of Offer. For further information, please refer to "Financial Information" on page 111 of this Letter of Offer. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Camlin Fine Sciences Limited.

MATERIALITY

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- Some events may have material impact quantitatively;
- Some events may have material impact qualitatively instead of quantitatively;
- Some events may not be materiality individually but may be found material collectively;
- Some events may not be material at present but may not be having material impact in future.

INTERNAL RISK FACTORS

1. ***Our operations are dependent on our R&D capabilities and an inability to continue to design catalytic processes may adversely affect our business.***

Our competitive position in the specialty chemicals industry is primarily characterized by cost-efficiencies and R&D improvements. We have invested substantial effort, funds and other resources towards our R&D activities and have set-up two R&D units at Tarapur, Maharashtra, India and Ravenna, Italy. In Fiscals 2024 and 2023, we invested ₹ 800.43 lakhs and ₹660.82 lakhs, respectively on R&D related assets that represented 1.03% and 0.83%, respectively of our standalone revenue from operations in these periods.

Our ongoing investments in R&D may result in higher costs without a proportionate increase in revenues. Delay in any part of the process or our inability to obtain regulatory approvals or customer approvals for our products or the failure of a product to be successful at any stage could adversely affect our business. Further, our competitors may develop competing processes that may gain market acceptance prior to or in place of our products.

Our R&D units develop most of our products in-house and focus on developing chemical compounds, new manufacturing processes and improving existing processes with emphasis on developing new derivatives of diphenols to improve the commercial viability. This exercise depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules, successful development and application of technologies, captive production of key raw materials, hiring and training of qualified personnel, identification of emerging regulatory and technological trends in our target markets, and the level of demand for new products.

There can be no assurance that we will be able to secure the necessary technological knowledge through our own R&D units or external sources. We may be required to make significant investments in R&D, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such knowledge in a timely manner, or at all, we may not be able to effectively implement our strategies, and our business and results of operations may be adversely affected.

Further, we are also subject to the risks generally associated with new process technologies and product introductions, including lack of market acceptance, delays in product development and failure of products to operate properly, which may lead to increased warranty claims.

2. ***A large part of our business includes manufacturing, marketing and supply of specialty chemicals which are used in a wide array of food, animal feed and pet nutrition, fragrance, pharma and industrial products. Any adverse change in the ultimate end user industries of our products can adversely impact our business, results of operations and financial condition.***

Our business depends on our ability to efficiently manage our manufacturing facilities, and the operational risks associated with it, including those beyond our reasonable control. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees could interfere with our operations and could have an adverse effect on our business, financial condition and results of operations.

Factors affecting the food, animal feed and pet nutrition, fragrance, pharma and industrial products industry 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:

- (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) change in any registration requirements or non-renewal of registrations or imposition of a regulatory ban, or trade
- (d) sanctions imposed across the country or any such restrictions on the business or product or customer's final product;
- (e) loss of market share, which may lead our customers to reduce or discontinue the purchase of our products; economic conditions of the markets in which our customers operate;
- (f) regulatory issues faced by these industries in India and internationally;
- (g) downturns or industry cycles that impact demand; and
- (h) changes in technology or consumer tastes and requirements that alter demands for our products.

Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including on account of power failure, fire, mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, non-availability of adequate labour or disagreements with our workforce, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks, could reduce our ability to meet the

conditions of our contracts and adversely affect sales and revenues from operations in such period. Disruptions in our manufacturing operations could delay production or require us to temporarily or permanently cease operations at our manufacturing facilities.

A significant malfunction or breakdown of our machinery, equipment, automation systems, IT systems or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our operations.

If any industrial accident, loss of human life or environmental damage were to occur, we could be subject to significant penalties, actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accident may result in loss of property and/or disruption in our manufacturing operations, levy of fines and penalties and/or adverse action against our employees, officers, Board, Promoters, etc., which may in turn have a material adverse effect on our results of operations and financial condition.

While we have obtained insurance policies to cover certain of these risks, there can be no assurance that these insurance policies will sufficiently cover all losses that arise or will be honoured at all. As of September 30, 2024, our insurance cover for property, plant and equipment was ₹1,60,160.07 lakhs. For further details, please see “*Risk Factor 37 - Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition*” on page 50 of this LOF.

In September 2024, our Company resolved to demolish and reconstruct the Chemolutions Facility. Subsequently, in October 2024, the Company obtained approval from MIDC for the demolition. Following reconstruction, the blending facility currently located at our Tarapur Facility will be relocated to the Chemolutions Facility.

If any or some of the above events were to occur or we reconstruct our facilities, it may impact our business and the results of our operations. Furthermore, it may have a negative impact on the demand for our products in other markets as well. Some of our products have restrictions, whether in terms of limits or otherwise, of usage in the end product. If any enquiries, studies or proceedings are initiated, which challenge the safety of our products, we would have to divert management time and resources in responding to such enquiries, facilitate the respective studies or defend such proceedings, which could adversely affect our profitability and growth prospects.

For information on the location of our facilities, see “*Our Business –Properties*” on page 281 of this LOF.

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

We have developed strong and long-term relationships with various multinational corporations that helped us expand our product offerings and geographic reach. Accordingly, we are dependent on our arrangements with such corporations and our business depends on the continuity of our relationship with these customers. We depend on few key customers for a certain portion of our revenues. In the six month period ended September 30, 2024, Fiscal 2024 and Fiscal 2023, our revenue from our top 10 customers amounted to ₹21,777.77 lakhs ₹41,459.85 lakhs and ₹39,972.67 lakhs, respectively, and represented 26.72%, 25.70% and 23.77% respectively, of our consolidated total revenues from operations (excluding other income).

There can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. Our reliance on few key customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. We expect that we will continue to rely on few key customers for the foreseeable future

for a significant part of our revenues. We cannot, however, assure you that we will be able to continue to service these customers or obtain the same or enhanced business from them. The loss of one or more of our key customers or a reduction in the amount of business we obtain from them whether due to circumstances specific to such customer, such as pricing pressures or adverse market conditions affecting our supply chain could have an adverse effect on our business, results of operations, financial condition and cashflows.

Additionally, our customers have high 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. There are also a number of factors, other than our performance that could cause the loss of a customer. Customers 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. ***The rating of our bank facilities was recently downgraded from IND A- to IND BBB. This downgrade reflects deterioration in our Company's operating performance during Fiscal 24. Any further downgrade in our credit ratings may increase interest rates for raising new debt and refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis.***

Credit ratings reflect the opinions of the ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. In October 2024, the India Ratings & Research, a rating agency, downgraded our bank facility rating from IND A- to IND BBB. The rationale for this downgrade was due to deterioration of our Company's operating performance during Fiscal 24, as competition from the Chinese players led to a decline in the realisations of key shelf-life and performance chemical products, losses incurred by CFS Europe and inventory write-offs. Any further 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 borrow on a competitive basis, which may adversely affect our business, financial condition, results of operations and cash flows.

Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our borrowings and also lead to lenders imposing additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations and financial condition.

5. ***Our statutory auditors have referred to certain emphasis of matters in their reports on the Audited Consolidated Financial Statements and the Limited Reviewed Consolidated Financial Statements.***

Our statutory auditors have referred to certain emphasis of matters in their report on the Audited Consolidated Financial Statements and the Limited Reviewed Consolidated Financial Statements as set out below:

Period	Type of Financials	Qualifications/Reservation/Emphasis of Matter/ Adverse Remarks/Other Observations in CARO	Impact on the Financial Statements of the Company
Financial Year ended March 31, 2023	Audited Consolidated	<p><u>Qualifications/ Reservations/ Adverse Remarks:</u> None</p> <p><u>Emphasis of Matter:</u> As per the decision of the Supreme People's Court of China ("Honourable Court") which has imposed penalty amounting to RMB 159.32 million on the JV partner of the subsidiary company and others for alleged infringement of intellectual property used in the manufacturing process. An amount of RMB 11.15 million i.e. Rs. 1,265 Lakh which is 7% of the total penalty imposed is attributed to the subsidiary i.e. CFS Wanglong Flavours (Ningbo) Co., Ltd. As an abundant legal caution, the subsidiary company has stopped the production facility till further directions of the Honorable Court. As per the terms of the shareholders' agreement dated April 28, 2017 and amendments made thereafter, the Holding Company and its subsidiary company are indemnified against penalty and or legal consequences emanating from the violation of the IP rights. As a co-defendant with the JV Partner, the subsidiary company has preferred an application for retrial of the aforesaid order before Honorable Court, which was heard in the month October 2021, the decision thereof is awaited. In the opinion of the Holding Company's Management, based on the above and for reasons as more fully discussed in the aforesaid note, no impairment of cash generating unit consisting of property plant and equipment of the said subsidiary or on goodwill on consolidation in respect of the said subsidiary company is required. However, Intangible assets in relation to Technical Knowhow for manufacturing vanillin with a carrying amount of Rs. 967.84 Lakh has been impaired during the year and disclosed as an exceptional item.</p> <p>Our opinion is not modified in respect of this matter.</p>	<p>Nil</p> <p>Nil</p>
		<p><u>Other Observations in CARO:</u> None</p>	Nil
Half yearly period ended September 30, 2023	Unaudited Consolidated	<p><u>Qualifications/Reservations/Adverse Remarks:</u> None</p> <p><u>Emphasis of Matter:</u> As per the <u>decision of the</u> Supreme People's Court of China ("Honorable Court"), a penalty was imposed amounting to RMB 159.32 million i.e. INR 18,167.26 Lakh on the JV partner in the subsidiary company and others for alleged infringement of intellectual property used in the manufacturing process. An amount of RMB 11.15 million i.e. INR 1,271.43 Lakh which is 7% of the total penalty imposed is attributed to the subsidiary i.e. CFS Wanglong Flavors (Ningbo) Co. Ltd. As a matter of abundant legal</p>	<p>Nil</p> <p>Nil</p>

Period	Type of Financials	Qualifications/Reservation/Emphasis of Matter/ Adverse Remarks/Other Observations in CARO	Impact on the Financial Statements of the Company
		<p>caution, the subsidiary company has stopped the production at facility till further directions of the Honorable Court. As per the terms of the shareholders' agreement dated April 28, 2017, and amendments made thereafter, the Company and its subsidiary company are indemnified against penalty and/or legal consequences emanating from the violation of the IP rights. As a co-defendant with the JV Partner, the subsidiary company has preferred an application for retrial of the aforesaid order before Honorable Court, which was heard in the month October 2021, the decision thereof is awaited. In the opinion of the Parent Company's Management, based on the above and for reasons as more fully discussed in the aforesaid note, no impairment of cash generating unit of the said subsidiary or on goodwill on consolidation in respect of the said subsidiary company is required. Our conclusion on the Statement is not modified in respect of the above matter.</p>	Nil
		<p><u>Other Observations in CARO:</u> CARO is not applicable to interim reporting.</p>	
Financial Year ended March 31, 2024	Audited Consolidated	<p><u>Qualifications/Reservations/Adverse Remarks:</u> None</p>	Nil
		<p><u>Emphasis of Matter:</u> The Company has impaired the investment in and Assets of CFS Wanglong Flavors (Ningbo) Co., Ltd. (CFSWL) (a subsidiary Company). The Supreme People's Court of China ("Honorable Court") had imposed a penalty amounting to RMB 159.32 million i.e. Rs. 18,543.25 Lakh on the JV partner in the subsidiary company and others for alleged infringement of intellectual property used in the manufacturing process. An amount of RMB 11.15 million i.e. Rs. 1,297.75 Lakh which is 7% of the total penalty imposed was attributed to the subsidiary. As a matter of abundant legal caution, the subsidiary company had stopped the production facility till further directions of the Honorable Court. As per the terms of the shareholders' agreement dated April 28, 2017, and amendments made thereafter, the Holding Company and its subsidiary company are indemnified against penalty and/or legal consequences emanating from the violation of the intellectual property rights. During the quarter ended March 31, 2024, the JV Partner has represented to the Holding Company that they have arrived at an out of Court Settlement with the litigant regarding the infringement of intellectual property. The said settlement, inter alia:</p> <p>a) precludes any punitive action against the subsidiary company and also absolves it</p>	Nil

Period	Type of Financials	Qualifications/Reservation/Emphasis of Matter/ Adverse Remarks/Other Observations in CARO	Impact on the Financial Statements of the Company
		<p>from payment of any penalty under the original judgement,</p> <p>b) precludes the subsidiary company from manufacturing Methyl Vanillin in China, and</p> <p>c) allows the subsidiary company to manufacture, market and sell any product other than Methyl Vanillin, in China at the facility owned by the subsidiary company.</p> <p>The Board of Directors of the Holding Company had already approved a plan to use the aforesaid facility to manufacture Heliotropin, an aromatic product which is downstream of Catechol. As of March 31, 2024, the Company has evaluated the carrying value of its investments in and receivables from its subsidiary company by considering certain factors which are more fully discussed in the aforesaid note and assessed the same for impairment test.</p> <p>The outcome arising on such impairment assessment as at March 31, 2024, resulted in impairment provision aggregating to Rs. 2,700.84 Lakh in its Consolidated Ind-AS Financial Statements comprising of impairment of Goodwill Rs. 571.63 Lakh, Inventories and Receivables (net of payables) Rs. 549.15 Lakh and Property, Plant and Equipment Rs. 1,580.06 Lakh. Our opinion on the consolidated Ind-AS financial statements is not modified in respect of the above matter-</p> <p>Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in respect of one of the subsidiary company, accounting software had no audit trail (edit log) facility from April 1, 2023 to December 17, 2023. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.</p>	
		<p><u>Other Observations in CARO:</u> CARO observation in AlgalR Nutraceuticals Private Limited's (Subsidiary) independent audit report-</p>	Nil
		<p>The Company is generally regular in depositing undisputed statutory dues including income tax,</p>	

Period	Type of Financials	Qualifications/Reservation/Emphasis of Matter/ Adverse Remarks/Other Observations in CARO	Impact on the Financial Statements of the Company
		Goods and service tax, provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, wherever applicable except few instances of delay in deposit of tax deducted at source, provident fund and employees state insurance. Undisputed dues of provident fund contribution is outstanding for a period of more than six months from the date they became payable amounting to Rs. 7 Lakh.	
Half yearly period ended September 30, 2024	Unaudited Consolidated	<u>Qualifications/Reservations/Adverse Remarks:</u> None	Nil
		<u>Emphasis of Matter:</u> None	Nil
		<u>Other Observations in CARO:</u> CARO is not applicable to interim reporting.	Nil

6. ***Certain properties of our Company, including our Registered Office, are not owned by us but taken on leave and license basis. Further, our manufacturing facilities are not located on land owned by us and we only have leasehold rights. Our inability to renew the lease agreements and/or leave and license agreements, or any adverse impact on the title or ownership rights of our landlords/owners in relation to these premises may impede our operations.***

Our Registered office is situated at Floor 2 to 5, Building "In G. S. Point", Plot No. VIII, Private Layout Scheme, Opp. University Campus, C.S.T. Road, Kalina, Santacruz (East), Mumbai, Maharashtra, 400098. This office space is licensed from M/s. Ambica Construction Co. vide leave and license agreement dated February 15, 2022 for a period of 5 years up to February 14, 2027. Further, our Tarapur Facility, Chemolutions Facility, Alglar Facility and Dahej SEZ Facility are on leasehold premises on a long-term basis.

Our facilities in Mexico, China and Brazil are also on leasehold basis. Our facilities in Belgium and Italy are owned by respective Subsidiaries on freehold basis.

For details on our properties, see "***Our Business- Property***" on page 103 of this LOF.

We cannot assure that we will be able to renew our lease and/or leave and license agreements on commercially acceptable or favourable terms or at all. If we do not comply with the terms of the leave and license/ lease agreements, it may lead to termination of the agreements, which would have an adverse effect on our business and results of operations. Further, any adverse impact on the title or ownership rights of the landlords of these premises may force us to vacate such premises and we would be required to make alternative arrangements. A relocation of any part of our operations may cause disruptions to our business and may require significant expenditure. If we are required to relocate our business operations, we may suffer disruption in our operations or may have to pay increased charges, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

In the event of termination/non-renewal of the lease and/or leave and license agreement, we may be required to vacate the said premises, which may cause disruption in our corporate affairs and business and impede our effective operations, which could in turn temporarily impact our business operations until we get suitable alternative premises.

There can be no assurance that in the future we will be able to renew the agreements for the existing locations or will be able to find alternate locations for our offices or manufacturing facilities on same or

similar terms favourable to us, or at all, which could result in increased rental rates for subsequent renewals or searching for new premises, which exercise could adversely affect our business operations.

7. ***Our Company is involved in certain legal and other proceedings. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations and financial condition.***

Our Company is involved in certain legal proceedings, primarily with respect to environmental proceedings and tax demands, which are pending at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if determined adversely, could affect our reputation, business, results of operations and financial condition. Litigations generally, regardless of the merits or eventual outcome, are costly and time consuming and we could incur significant costs and/or a significant reduction in revenue in defending the action. We cannot assure you that these legal proceedings will be decided favourably or that no further liability will arise from these claims in the future.

A summary of the outstanding litigation involving our Company is set forth below:

		(₹ in lakhs)
Type of Proceeding	Number of Cases	Aggregate amount involved*
Cases by our Company		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Cases against our Company		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	1	1,712.31
Material violations of statutory regulations	Nil	Nil
Matters involving economic offences where proceedings have been initiated	Nil	Nil
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
Tax cases involving our Company		
Direct tax proceedings	4	2,000.34
Indirect tax proceedings	1	356.02
Cases by our Subsidiaries		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Cases against our Subsidiaries		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Material violations of statutory regulations	Nil	Nil
Matters involving economic offences where proceedings have been initiated	Nil	Nil
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
Tax cases involving our Subsidiaries		
Direct tax proceedings	Nil	Nil
Indirect tax proceedings	Nil	Nil

*To the extent quantifiable

For detailed information, see “*Tax Proceedings - Outstanding Litigation and Material Developments*” on page 271 of this LOF.

8. ***Our Company has reported negative cash flows from its investing and financing activities, details of which are given below. There is no assurance that we will be cost effective in our operations or achieve profitability in the future.***

In the previous years, our Company has reported negative cash flows from its investing and financing activities as per the Audited Consolidated Financial Statements and Limited Reviewed Consolidated Financial Statements and the same are summarized below:

Particulars	(₹ in lakhs)		
	For the six months period September 30, 2024*	For the year ended March 31, 2024 [#]	For the year ended March 31, 2023 [#]
Profit / (Loss) before Tax	(16,578.77)	(9,924.35)	8,037.70
Operating activities	6,560.37	13,898.18	5,089.83
Investing Activities	(2,426.45)	(6,649.79)	(12,462.56)
Financing Activities	(4,209.89)	(8,597.16)	5,965.81

*Unaudited subject to Limited Review

[#]Audited

We cannot assure you that in the future our net cash flows will be positive, which, if not, could adversely affect our ability to, among others, fund our operations or pay debts in a timely manner. For detailed information, see “*Statement of Cash Flows - Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Company*” on page 260 of this LOF.

9. ***As of September 30, 2024 we had contingent liabilities which have not been provided for in our Limited Reviewed Consolidated Financial Statements that could adversely affect our financial condition.***

As of September 30, 2024, our contingent liabilities are as follows:

Particulars	(₹ in lakhs)
Claims for Excise Duties, Taxes and Other Matters	2,356.36
In respect of bank guarantees issued	401.91
In respect of compensation attributed by the National Green Tribunal	1,712.31
In respect of notices received from vendors	76.55
Total	4547.13

There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future and that our existing contingent liabilities will not have material adverse effect on our business, financial condition, results of operations and cash flows. If any claim in these contingent liabilities were to materialize, in part or full, our financial condition may be affected. For further details in relation to our contingent liabilities, please refer to the section entitled “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 111 and 237, respectively, of this Letter of Offer.

10. ***Our substantial indebtedness, along with restrictive covenants in lender sanction letters, exposes us to various risks which may have an adverse effect on our business and results of operations.***

As on September 30, 2024, on a consolidated basis, we had ₹73,948.94 lakhs of outstanding debt on our balance sheet (including current maturities) in relation to various facilities from the bank(s), which also includes borrowings availed by our overseas Subsidiaries. In the event we fail to meet our debt servicing obligations under our financing documents, the relevant lender(s) could declare us to be in default, accelerate the maturity of our obligations or enforce the security charged with the lenders to secure the borrowings availed from them. We cannot assure you that in the event of any such acceleration, we will have sufficient resources to repay these borrowings. Failure to meet obligations under our debt financing

agreements may have an adverse effect on our cash flows, business and results of operations. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flows generated by our business. Incurring significant indebtedness may limit our flexibility in planning for or reacting to changes in our business & industry and limit our ability to borrow additional funds. Further, our level of indebtedness has important consequences to our Company, such as:

- Increasing our vulnerability to general adverse economic, industry and competitive conditions;
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry; affecting our credit rating;
- Limiting our ability to borrow more money both now and in the future; and
- Increasing our interest expenditure and affecting our profitability.

While we have ensured that such agreements contain provisions that we have discussed and agreed and our local officers and employees have read these agreements, we cannot assure you that these agreements do not contain any onerous provision or that the local authority may not interpret the provisions of these agreements against our Company or that of our overseas Subsidiaries. We cannot assure you that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt. If we cannot obtain alternative sources of financing or our cost of borrowings become significantly more expensive, then our financial condition and results of operations will be adversely affected.

Additionally, our financing agreements impose various covenants, requiring lender consent for certain actions, such as changes in capital structure, management, projects, dividend declarations and amendments to company documents. A breach of any of these covenants, or a failure to pay interest or indebtedness when due under any of our credit facilities, could result in a variety of adverse consequences, including the acceleration of our indebtedness, and could adversely affect our ability to conduct our business. This Issue will not result in dilution of shareholding of our Promoters/Promoter Group. Our financing arrangements permit our Company to raise funds through an equity issuance so long as it will not result in dilution of the shareholding of our Promoters/Promoter Group. As such, our Company does not need to seek consent from its lenders for this Issue. However, we cannot assure you that our lenders will continue to provide us this flexibility in the future or not impose certain negative covenants, calling upon us to seek their consent for any future fund raise.

11. *We operate some of our business verticals through our Subsidiaries and our inability to manage our diversified operations may have an adverse effect on our business, results of operations, cash flows and financial condition.*

We operate some of our business verticals through our Subsidiaries. While we do not control the day-to-day operations of each of our Subsidiaries, our management requires considerable expertise and skill to manage and allocate an appropriate amount of time and attention to oversee their operations and growth prospects. Further, we evaluate certain key matters at a group level, although these entities have independent finance, treasury and legal functions to support their day-to-day operations and decision-making. In addition, our cost controls, internal controls, and accounting and reporting systems must be upgraded on a continual basis to support our diversified operations. In order to manage our diversified operations effectively, we will be required to, among other things, stay abreast with key developments in each business, industry and geography in which we operate, and continue to improve our operational, financial and management systems, develop the management skills of our senior personnel and continue to train, motivate and manage our employees. In addition, these diverse operations may face distinct geographical, regional, macroeconomic and financial challenges, which may be different from those we are familiar with in our standalone business, such as shutting down of operations and default in meeting their obligations, which may adversely impact our financial condition.

Our financial condition may also be affected by adverse trends in the financial results of our Subsidiaries, particularly if they contribute substantially to our results of our operations. We cannot assure you that, to the extent these entities operate their business independently, they will act in a manner that is beneficial to our Company. If we are unable to manage our diversified operations effectively, our business, revenue of operations, cash flows and financial condition may be adversely affected.

12. *We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facilities, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could adversely affect our results of operations.*

Our operations are subject to extensive government regulations, and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing facilities.

As on the date of this Letter of Offer, our Company has all requisite registrations to run its business operations. Several of these approvals are granted for a limited duration. These approvals expire from time to time, and we are required to make applications for renewal of such approvals.

Any inability to renew these approvals may have an adverse effect on our operations. We cannot assure you that such approvals will be issued or granted to us. If we fail to obtain or retain any of these approvals or licenses or renewals thereof, in a timely manner, our business operations may be adversely affected. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If we fail to comply with the applicable regulations or if the regulations governing our business operations are amended, we may incur increased costs, be subjected to penalties, have our approvals and permits revoked or suffer from disruption in our operations, any of which could adversely affect our business operations.

13. *Our proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised by any bank or financial institution or other independent agency and may be subject to change based on various factors, some of which are beyond our control.*

We propose to use the Net Proceeds for prepayment and / or re-payment of all, or a portion of, certain outstanding borrowings availed by our Company and for general corporate purpose. Our deployment of the Net Proceeds have not been appraised by any bank or financial institution or other independent agency and is based on internal management estimates based on current market conditions and historic level of expenditures. Any variation in the Objects of the Issue and the utilization of the Net Proceeds shall be subject to compliance with applicable law and could be on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions and competitive environment, which may not be within the control of our management and may be subject to various other approvals. Further, our funding requirements and the deployment of the proceeds from this Issue are also based on our current business plan and strategy.

While the deployment of the Gross Proceeds will be monitored by the Monitoring Agency, we may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations and other financial and operational factors. Accordingly, we may not be able to utilise the proceeds from this Issue in the manner set out in this Letter of Offer in a timely manner or at all. Various risks and uncertainties, including those set forth in this “*Risk Factors*” section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. Accordingly, the use of the Net Proceeds to help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion and for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment. Further, as regards the utilisation of Net Proceeds for prepayment and / or re-payment of all, or a portion of, certain outstanding borrowings availed by our Company, the identification of loans to be repaid and / or prepaid will be based on various factors, including the factors specified in the section “*Objects of the Issue*” on page 69 of this LOF.

14. *Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.*

As on the date of this Letter of Offer, we operate 8 manufacturing facilities. In particular, the level of our capacity utilization can impact our operating results. High-capacity utilization allows us to spread our fixed costs, resulting in a higher gross profit margin. Our product mix also affects the capacity utilization of our manufacturing facilities, and the demand and supply balance and the average selling prices of our products, would in turn affect our gross profit margin. Our capacity utilization is affected by the availability of raw materials, industry/ market conditions as well as by the product requirements of, and procurement practice followed by, our customers. In the event that we are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our manufacturing facilities, resulting in operational inefficiencies, which could have a material adverse effect on our business prospects and financial performance. Further, if our customers place orders of less than the anticipated volume or cancel existing orders or change their policies resulting in reduced quantities being supplied by us, it could result in under-utilization of our manufacturing capacities. Further, we have made significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products could reduce our ability to accurately estimate future customer requirements, make it difficult to schedule production and lead to over production or utilization of our manufacturing capacity for a particular product. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows.

For further information, see “*Our Business –Our Manufacturing Capacity*” on page 96 of this LOF.

15. *Our manufacturing facilities are dependent on an adequate and uninterrupted supply of electricity, water and fuel. Any shortage or disruption in electricity, water or fuel supply may lead to disruption in operations, higher operating cost and consequent decline in our operating margins.*

Our production operations require an adequate supply of electricity, fuel and water, the shortage or non-availability of which may adversely affect our operations. In six months period ended September 30, 2024, Fiscal 2024 and Fiscal 2023, the power and fuel costs, on a consolidated basis, was ₹5,114.86 lakhs, ₹12,102.84 lakhs, and ₹20,126.74 lakhs, respectively which accounted for 6.25%, 7.50% and 11.97%, respectively of our consolidated total revenue from operations.

Our Dahej SEZ Facility and Tarapur Facility source their power from Torrent Power and Maharashtra State Electricity Distribution Co. Ltd, respectively. Inadequate electricity could result in interruption or suspension of our production operations. Further, our registered office and Dahej SEZ Facility and Tarapur Facility have adequate water supply arrangements for human consumption purposes. For our registered office, we source the water from Brihanmumbai Municipal Corporation. For our Dahej SEZ Facility, we source water from GIDC and likewise for the Tarapur Facility, from MIDC. There can be no assurance that such water supply will not be interrupted in the future.

Any failure on our part to obtain alternate sources of electricity, fuel or water in a timely manner, and at an acceptable cost, may cause a slowdown or interruption to our production process and have an adverse effect on our business, financial condition and results of operations. Further, the recent increase in the prices of fuel and electricity may result in an increase in our electricity and fuel expenses which may increase our operating cost in general and may have an adverse impact on our business, financial condition and results of operations.

16. *If we are unable to successfully develop or commercialize new products, our operating results may suffer.*

Our industry is subject to ongoing product improvements and periodic technological changes. In order to sustain growth, maintain margins and remain competitive, we must successfully develop and introduce new products or improvements to our existing products which offer better product attributes to our customers. Our Company intends to leverage its capabilities of manufacturing Shelf-Life

Extension products, especially those which are customised to the requirements of our customers. We continuously strive to develop new derivatives of Diphenols to expand our Performance Chemicals business. Developing and commercializing a new product is time consuming, costly and subject to numerous factors, including:

- the ability to correctly anticipate customer needs;
- the ability to develop products in a timely manner and in compliance with regulatory requirements;
- the risk that any of our products presently under development, if and when fully developed and tested, will not perform as expected;
- locate and establish collaborations with suppliers and distributors to distribute our products in our targeted markets as well as to ensure the availability on commercially reasonable terms; and
- our ability to scale-up manufacturing methods to successfully manufacture commercial quantities of products in compliance with regulatory requirements, in a timely and cost effective manner.

Our long-term competitiveness and growth of our operations depends, to a significant degree, on our ability to successfully develop, secure approvals for and commercialize, in a timely manner, new products in all of our key markets through our research and development activities. If any of our products, when acquired or developed and approved, cannot be successfully or timely commercialized, our operating results could be adversely affected. There can be no assurance that we will be able to successfully commercialize the products that we develop within the time constraints necessary to be successful.

The cost of research, development and commercialization efforts can be significant and the likelihood of success of any such programs is difficult to predict. We cannot guarantee that any investment we make in developing products will be recouped, even if we are successful in commercializing those products. Due to the time it takes to develop a new product and receive all relevant approvals, the competitive landscape for such products may change or differ significantly from what we had anticipated, and our products may not hold the competitive advantages in pricing or efficacy that we had anticipated during development. If any of the new products is not well accepted by the market, such products may not yield an appropriate return on our related research and development and marketing costs.

In the event we fail to successfully and timely develop and commercialize new products, our business prospects and results of operations could be materially and adversely affected.

17. *Being a part of the speciality chemicals industry, our revenue is largely dependent upon the market prospects of the Indian and Global scenario of the industry.*

Our financial performance depends significantly on the stability of the speciality chemicals industry, as well as general economic conditions, including changes in gross domestic product. Adverse conditions or uncertainty about these markets, or the economy could adversely impact our customers' confidence or financial condition. Other factors beyond our control, including the availability of raw material, machines required for production, prices, the state of the credit markets, including mortgages, loans and consumer credit and other conditions beyond our control, could further adversely affect demand for our products and services, our costs of doing business and our financial performance.

18. *We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects and financial performance, including the cancellation of existing and future orders which may expose us to warranty claims.*

Most of our products and manufacturing processes are subject to stringent quality standards and specifications as specified by our customers in terms of the various contractual arrangements entered

into with them. As a result, any failure on our part to maintain applicable standards and manufacture products according to prescribed quality specifications, may lead to loss of reputation and goodwill, cancellation of orders, loss of customers, rejection of the products, which will require us to incur additional cost, that may not be borne by the customers, which in turn could have an adverse impact on our business prospects and financial performance. Additionally, it could expose us to pecuniary liability and/or litigation.

Our business also requires obtaining and maintaining quality certifications and accreditations from independent certification entities. Our Company has achieved various manufacturing certifications such as ISO 9001:2008, FAMIQS, Kosher, Food Safety System Certification 22000 and Halal. Such specifications and standards of quality are an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected.

In the past, certain of our customers have audited our manufacturing facilities and manufacturing processes. our customers may periodically undertake similar audits in the future. The occurrence of quality defects on account of errors and omission could result in damage to our reputation and the loss of customers, which could adversely affect our business, operations, our cash flows and financial condition. Failure to meet quality and standards of our products and processes can have serious consequences including rejection of the product, which will require us to incur additional cost, which will not be borne by the customer, to replace the rejected product, withdrawal of our product approval, and loss of customer, which could have adverse effect on our reputation, business and our financial condition. This may result in our customers cancelling present or future purchases of our products. We have in the past received certain feedback from customers with respect to quality compliance that has led to rejection of certain products.

While these have not materially affected our operations, and we have since carried out more stringent quality checks, there can be no assurance that our products will at all times comply with customer specifications, and the rejection of a large volume of products in the future could adversely affect our operations.

The quality of our products is critical to the success of our business, and quality depends on the effectiveness of our quality control system, which, in turn, depends on a number of factors, including the design of our system, our quality control training program, and the implementation and application of our quality control policies and guidelines. Any significant failure or deterioration of our quality control system could result in defective or substandard products, which, in turn, may result in delays in the delivery of our products and the need to replace defective or substandard products. As a result, our reputation, business, results of operations and financial condition could be materially and adversely affected.

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

We develop, manufacture and sell a range of antioxidants and chemicals such as Hydroquinone and Catechol, which are primarily used as raw materials for products such as Diphenols, Shelf-life Extension Solutions, animal feed and food flavouring in end-use industries, such as pharmaceuticals, agrochemicals and fragrance. Furthermore, printing inks are used in end-use industries, such as paint and coatings, agrochemical and home and personal care.

Our products are subject to risks such as contamination, adulteration and product tampering during their production, transportation or storage. Defects, if any, in our products could lead to rejection of supplied products and consequential financial claims. We are also exposed to risks associated with product liability claims if the use of our products results in personal injury. 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, or from defects arising from deterioration in our quality controls.

Further, while we seek to conform our products to meet a variety of specifications and regulatory requirements, there can be no assurance that product liability claims or recall claims against us will not arise, whether due to product malfunctions, defects or other causes. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert our management's time, adversely affect our goodwill and impair the marketability of our products. Further, there may be instances where our Company is unable to meet the timelines for delivery of the products to our customers. Any such time overrun may result in termination of the arrangement, price negotiations and reputational harm, which may have an adverse impact on our business and financial position.

20. *We are subject to increasingly stringent environmental, health and safety laws, regulations and standards. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition.*

We are subject to a wide range of laws and government regulations, including in relation to safety, health, labour and environmental protection. These safety, health, labour and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, treatment and processing, along with other aspects of our manufacturing operations.

For instance, there is a limit on the amount of pollutant discharge that our manufacturing facilities may release into the air and water. Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, emissions management to comply with environmental standards, which may involve significant compliance costs and also result in delays.

Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits or shutdown of our manufacturing facilities. The occurrence of any of these events could have an adverse effect on our business, results of operations and financial condition

For details of our manufacturing facilities, see "***Our Business***" on page 89 of this LOF.

21. *The competitive nature of our markets may delay or prevent us from passing increases in raw material costs on to our customers. In addition, certain of our suppliers may be unable to deliver products or raw materials or may withdraw from contractual arrangements. The occurrence of either event could adversely affect our results of operations*

The rising and volatile pricing of Phenol, our primary raw material and a derivative of petroleum may negatively impact our costs, results of operations and the valuation of inventory. Our profitability is sensitive to changes in the costs of Phenol caused by changes in supply, demand or other market conditions, over which we have little or no control. Factors such as increased transportation costs and transportation strikes could adversely impact the supply of raw materials that we require. We will not always be able to raise prices in response to such increased costs, and our ability to pass on the costs of such price increases is dependent upon market conditions. Likewise, reduction in the valuation of our inventory due to market volatility may not be recovered and could result in losses. Although, our Company is vertically integrated, we purchase certain other raw materials, including Phenol, from third party suppliers

For the six months period ended September 30, 2024, Fiscal 2024 and Fiscal 2023, our cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, WIP and stock-in trade,

together as a percentage of our total revenue, on a consolidated basis, was 53.38%, 56.64% and 48.36%, respectively.

If the suppliers are unable to meet our orders in a timely manner or choose to terminate or otherwise avoid contractual arrangements, we may not be able to make alternative supply arrangements. Also, domestic and global government regulations related to the manufacture or transport of certain raw materials may impede our ability to obtain such raw materials on commercially reasonable terms. If we are unable to obtain and retain qualified suppliers under commercially acceptable terms, our ability to manufacture and deliver products in a timely, competitive and profitable manner or grow our business successfully could be adversely affected.

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

We have pursued acquisitions and strategic partnerships as part of our growth strategy, some of them through our Subsidiaries. We may make further acquisitions or investments, including in geographies in which we do not currently operate, to expand our access to large clients, acquire new service offerings, or enhance our technical or research capabilities. Our acquisitions may not contribute to our profitability, and we may be required to incur or assume debt, or assume contingent liabilities, as part of any acquisition. We may not successfully identify suitable acquisition candidates or joint venture opportunities. We also might not succeed in completing targeted transactions or achieve desired results of operations. We could have difficulty in assimilating the personnel, operations, technology and manufacturing units of the acquired company. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. In addition, we might need to dedicate additional management and other resources, and our organizational structure could make it difficult for us to efficiently integrate acquired businesses into our ongoing operations and assimilate and retain employees of those businesses into our culture and operations. Business combination and investment transactions may result in significant costs and expenses and charges to earnings, including those related to severance pay, early retirement costs, employee benefit costs, goodwill and asset impairment charges, assumed litigation and other liabilities, and legal, accounting and financial advisory fees. We may have difficulties as a result of entering into new markets where we have limited or no direct prior experience or where competitors may have stronger market positions. We might fail to realise the expected benefits or strategic objectives of any acquisition we undertake. We might not achieve our expected return on investment or may lose money.

Further, as a result of our growth strategy to continue geographic expansion, we are more susceptible to certain risks. For instance, when we enter a new country, we are exposed to generating revenue in a new currency for which we may not be able to hedge against fluctuations in foreign currency. In some countries we could be subject to strict restrictions on the movement of cash and the exchange of foreign currencies, which could limit our ability to use this cash across our global operations. Acts of terrorist violence, armed regional and international hostilities and international responses to these hostilities, natural disasters, global health risks or pandemics or the threat of or perceived potential for these events could have a negative impact on our business. These events could adversely affect our clients' levels of business activity and precipitate sudden significant changes in regional and global economic conditions and cycles. These events also pose significant risks to our people and to physical facilities and operations around the world, whether the facilities are ours or those of our alliance partners or clients. By disrupting communications and travel and increasing the difficulty of obtaining and retaining highly skilled and qualified personnel, these events could make it difficult or impossible for us to deliver services to our clients.

For further information on our acquisitions, please see the section on History on page 90 of this LOF

23. *The success of our products depends on our customers' preferences and supply contracts with third parties.*

Our products are used by our customers in, among others, fast foods, beverages, pet food and animal feed. Our commercial success depends to a large extent on the preference of our customers to use a particular type of product. These preferences are typically influenced by factors such as cost, easy

availability, market acceptability, regulatory acceptability, substitutes available in the market, etc. We cannot assure you that our customers will prefer our products over others or we will be able to adapt to the customers' preference. To compete successfully and achieve our strategic goals, we may have to engage ourselves in innovation and make considerable investments in product development and market research in order to anticipate the customers' needs and provide the service level that is required. Our investments may only generate future revenues to the extent that we are able to successfully develop products that meet our customers' specifications, at an acceptable price. Any of these factors could have an adverse effect on our cash flows, business, financial condition and results of operations.

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

In case of such eventuality, where a customer or several customers cease procurement of products from us, our revenues and reputation would be materially affected, which could also impact our ability to enter into arrangements with new customers, thereby limiting our business growth.

Similarly, we do not have long-term agreements with a majority of our suppliers. We typically enter into annual supply contracts with third parties for some of our raw materials, however, we do not have long-term agreements with a majority of our suppliers. The success of our business is significantly dependent on maintaining good relationships with our suppliers. Short-term supplier contracts subject us to risks such as price volatility, unavailability of certain raw materials in the short term and failure to source critical raw materials in time, which could result in delay in manufacturing of the final product. Any delay in supplying products in accordance with the terms and conditions of the purchase orders, such as delivery within a specified time, could result in the customer refusing to accept our products, which could have an adverse effect on our business and reputation. Further, we cannot assure you that we will be able to enter into new or renew our existing arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability.

24. ***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. Further, our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our business, financial condition and results of operations.***

Our business strategy may not succeed due to various factors. Any failure on our part to implement our business strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially and adversely affect our business, financial condition and results of operations.

For details of our business strategies, see "***Our Business-Our Strategies***" on page 98 of this LOF.

Further, 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 high 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 and implement our business strategies may adversely affect our business growth and, as a result, impact our businesses, financial condition and results of operations.

25. *Our global scope of operations subjects us to various risks of conducting business in foreign countries, which may adversely affect our financial performance.*

We market our products across Europe, Asia Pacific (including India), and North and South America. Our direct customers and distributors are located in India and outside India.

The table below sets forth certain information on the sale of our products for different regions in India and outside India, for the six months period ended September 30, 2024, Fiscal 2024 and Fiscal 2023:

Region	Six months period ended on September 30, 2024*		Fiscal 2024 [#]		Fiscal 2023 [#]	
	Amount (₹ in lakhs)	Percentage of Revenue from operations (%)	Amount (₹ in lakhs)	Percentage of Revenue from operations (%)	Amount (₹ in lakhs)	Percentage of Revenue from operations (%)
In India	15,122.78	18.47	24,726.95	15.50	25,654.77	15.26
Outside India	66,759.70	81.53	134,775.41	84.50	141,475.34	84.74
Total	81,882.48	100.00	159,502.36	100.00	168,156.40	100.00

[#]Audited Consolidated Financial Statements

*Limited Reviewed Consolidated Financial Statements

Further, we set forth below the foreign currency trade receivables and trade payables position for the six months period ended September 30, 2024, Fiscals 2024 and 2023 on standalone basis.

Particulars	Currency	Six months period ended September 30, 2024 (₹ in lakhs)	Fiscal 2024 (₹ in lakhs)	Fiscal 2023 (₹ in lakhs)
Trade Receivables (unhedged)	USD	30,594.92	42,334.10	43,237.83
Trade Payable (unhedged)	USD	3,69,772.11	11,415.18	10,934.01

Our sales from export and import of raw materials are denominated in foreign currencies, primarily, the U.S. Dollar. Our financial statements, however, are prepared in Indian Rupees. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees, particularly the U.S. Dollar. 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. For further details on our exchange rate risk management, please see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations–Exchange Rate Risk*” on page 262 of this LOF.

Any development in the specialty chemicals industry or the industries in which our customers operate could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products.

There can be no assurance that China, the European Union 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 an adverse effect on our results of operations and financial condition.

In addition, our revenues from these markets may decline as a result of increased competition, regulatory action, pricing pressures, including as a result of anti-dumping measures, fluctuations in the demand for or supply of our products or services. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations and financial condition. Further, our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. These risks include complying with changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies. In the event we are unable to effectively address or comply with changes in foreign laws, or meet the conditions stipulated in our licenses, we may be subject to penalties and other regulatory actions, which could adversely affect our reputation, business, prospects, result of operations and financial condition.

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

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

We have material exposure to foreign exchange related risks since a significant portion of our revenue from operations are in foreign currency, including the US Dollar. In the six months period ended September 30, 2024 and Fiscal 2024 and Fiscal 2023, sales from exports amounted to ₹66,759.70 lakhs, ₹134,775.41 lakhs, and ₹141,475.34 lakhs, respectively and represented 81.53%, 84.50%, and 84.74%, respectively, of our total revenue from operations on a consolidated basis.

Similarly, a certain portion of our expenses, including cost of imported raw material, are denominated in currencies other than Indian Rupees. In the six months period ended September 30, 2024, Fiscal 2024 and Fiscal 2023, expenses incurred for purchase of raw material in foreign currency amounted to ₹4,172.96 lakhs, ₹9,973.01 lakhs and ₹13,834.36 lakhs, respectively, and represented 4.98%, 11.74%, and 18.40%, respectively, of our total expenses for such periods.

While we make provisions for foreign exchange fluctuations and also take steps to hedge our foreign currency fluctuation risk, a significant or frequent fluctuation in the exchange rate between the Indian Rupee and other currencies, may adversely affect our results of operations.

In the six months period ended September 30, 2024 and Fiscal 2024 and Fiscal 2023, we had mark-to-market (loss)/ gain on outstanding forward contract amounting to ₹30.60 lakhs, ₹75.15 lakhs and ₹(167.55) lakhs, respectively on a standalone basis,.

The exchange rate between the Indian Rupee and foreign currencies, primarily the USD, has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Accordingly, any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards.

While we seek to pass on losses on account of foreign currency fluctuations to our customers, our ability to foresee future foreign currency fluctuations is limited. Further, due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of the Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations and we may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and as a result, suffer losses on account of foreign currency fluctuations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline. We may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies. While we selectively enter into hedging transactions to minimize our foreign currency exchange risks, there can be no assurance that such measures will enable us to manage our foreign currency risks. Certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows.

28. ***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.***

We face competition in our business based on pricing, relationships with customers, product quality, customization, and innovation. We face pricing pressures from companies that are able to produce such products at competitive costs and consequently, may supply their products at cheaper prices. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such domestic or multinational competitor, which could adversely affect our business, financial condition and results of operations. Additionally, some of our competitors may have greater financial, research and technological resources, larger sales and marketing teams and enhanced established reputation. They may also be in a better position to identify market trends, adapt to changes in industry, innovate and develop new products, offer competitive prices due to economies of scale and also ensure product quality and compliance.

29. ***We rely on our distributors' networking in the open market for sale of certain local and export products.***

We market, sell and distribute our wide range of products to diverse customers based in India and abroad. Over the years we have established our sales network both in domestic and international markets. We work on a two-way marketing strategy, one being a direct approach to our customers i.e. end users and the other through distributors. Our products are marketed through a wide network of distribution channels to various countries including India, U.S., Italy, China and Mexico.

The Company relies on distributors for a significant portion of its marketing and distribution efforts, meaning any shortfalls in their performance could adversely impact our revenue and profitability. Further, the Company also contributes to direct marketing, through internal sales and marketing teams. However, a significant proportion of the sales are made through our distributions in foreign countries. Furthermore, our business growth depends on our ability to attract additional distributorships to our network. Although we believe that we have good relations with our distributors and agents, there is no assurance that our current distributors will continue to do business with us. If we do not succeed in maintaining the stability of our distributorship network, our export market share may decline materially, affecting our results of operations and financial condition.

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

Our Company has an experienced leadership team of highly qualified professionals with a demonstrated track record. Our Promoters have rich industry experience across various technical and business functions and hands on approach on research and development (R&D) segment. The composition of our Board is an optimal mix of professionals, who are knowledgeable and have experience in their areas of expertise and this enables our Board to discharge its responsibilities effectively and provide leadership to the business. In order to successfully manage and expand our business, we are dependent on the services of our Promoters, Directors Senior Management Personnel (SMP) and Key Managerial Personnel (KMP) of our Company. Our Promoters are the face of our Company and they are also involved in the day-to-day running of our Company. Our Promoters, along with the KMP, are key to the operations of our Company. Our success depends on the continued services and performance of the members of our SMP, KMP and other key employees.

Our continued success also depends upon our ability to attract and retain a large group of skilled professionals and staff, particularly project managers, engineers, and skilled workers. The loss of services of our SMP, KMP or skilled professionals or our inability to recruit, train or retain a sufficient number of skilled professionals could adversely affect our business, operations, prospects, financial condition, profitability and results of operation.

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

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances including, certain raw materials, which we use in production that are highly corrosive, hazardous and toxic. We are required to obtain approvals from various authorities for storing hazardous substances which results in high compliance costs and could potentially expose us to liability. We are subject to operating risks associated with handling of such hazardous materials such as possibility for 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, destruction of inventory of finished goods and/or raw materials and environmental contamination.

In the event of occurrence of any such accident, our business operations may be interrupted. Any industrial accident, any shutdown of our Manufacturing Facilities or any environmental damage caused by our operations could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of raw materials which would, amongst others, increase the cost of our operations. We cannot assure you that any such instances will not happen in the future. Any of these occurrences may result in the shutdown 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 termination of our approvals for storing such substances or penalties thereunder.

Further, any environmental damage could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations.

For details of litigation involving the Company, arising from such incidents, see “*Outstanding Litigation and Material Developments*” on page 267 of this LOF.

32. *We may not be able to adequately protect our intellectual property rights, and our business, financial condition and results of operations may be adversely affected.*

Our Company has registered quite a few trademarks in its name but mainly uses CFS, Xtendra, adorr, Nasure and Ezential as its trademarks, which are registered under class 1 of the Trademarks Act, 1999. Our Company has also registered the same trademark under a few other classes of the Trademarks Act, 1999, since we use different trademarks for various of our products. For illustration purposes, CFS and Nasure are also registered under class 1 and 31 of the Trademarks Act, 1999, since our Company markets its products as chemical substances used for preserving foodstuffs and additives in foodstuffs for animals. Our Company has registered 125 trademarks, which it uses for various of its products.

Our trademark rights may be vulnerable to violations, and our ability to compete depends on effectively safeguarding these rights. Our intellectual property protection is crucial to the success of our business. We rely on trademark laws and confidentiality to protect 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. Additionally, the use of trade names or trademarks by third parties, which are similar to our trade names or trademarks may result in confusion among customers and loss of business, goodwill and confidence in us.

We may need to litigate to protect our intellectual property to defend against third party infringement. Any such litigation could be time consuming and costly, and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorized 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, result in costly litigation and divert management’s attention and resources. An adverse ruling arising out of any intellectual property dispute could subject us to liability for damages and could adversely affect our business, results of operations and financial condition.

While we take care to ensure that we comply with the intellectual property rights of third parties, we cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights. Any claims of intellectual property infringement from third parties, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. The risk of being subject to intellectual property infringement claims will increase as we continue to expand our operations and product offerings. As a result of such infringement claims, we could be required to pay third party infringement claims, alter our technologies, obtain licenses or cease some portions of our operations. The occurrence of any of the foregoing could result in unexpected expenses. In addition, if we are required to alter our technologies or cease production of affected items, our revenue could be adversely affected.

33. *Our overseas manufacturing facilities have been shut down due to adverse economic conditions, and any continued closure or further disruptions may adversely affect our business, financial condition, and results of operations.*

In August 2023, we had temporarily shut down our CFS Europe’s Italy Facility, which was engaged in manufacturing diphenol. The shut-down of this facility was due to difficult macro-economic situation in Europe, low pricing and weak demand. The shutdown continues as on date.

Further, due to the global economic conditions, our management decided to suspend the operations in the China Facility since it had become economically unviable to continue its operations. The suspension of operations continues as on date. At present there are no claims made by, or obligations owed to, our joint venture partner and our Company does not expect any such claim or obligation to arise in the future. However, we cannot assure you that such claim or obligation will not arise. If a claim or obligation were to arise, it may divert the management's attention and resources and it may have an adverse effect on our financial condition.

Although, except as mentioned above, we have not experienced any significant disruptions at our overseas manufacturing units, we cannot assure you that in the future we will not face similar disruptions in our operations. While we are exploring options to address these challenges, we cannot assure that the market conditions will improve or that we will be able to resume operations at our abovementioned facilities. Any continued or future disruptions in our manufacturing facilities could adversely affect our business, financial condition and operational performance.

34. *The ability of our Subsidiaries to pay dividend is restricted by certain covenants in their financing documents and investment agreements.*

Our Subsidiaries have entered into financing documents with certain banks which requires our Subsidiaries to take prior approval of the lender for declaring and distributing dividends. We cannot assure you that the lenders of our Subsidiaries will provide their consent for declaration and distribution of dividends by our Subsidiaries, as applicable. Our inability to realize dividends from our Subsidiaries due to restrictive covenants in the financing documents and investments agreements may adversely affect our cashflows, results of operations and financial condition.

35. *Our Promoters and our Directors may be interested in companies engaged in similar lines of business as ours. Any conflict of interest that may occur as a result could adversely affect our business, financial condition, results of operations and cash flows.*

Our Promoters and our Directors may be appointed to the board of directors of other companies engaged in similar lines of business as ours. These entities may provide comparable services, expand their presence, solicit our employees or acquire interests in competing ventures in the locations or segments in which we operate. A conflict of interest may occur between our business and the business of such entities, which could have an adverse effect on our business, financial condition, results of operations and cash flows. We cannot assure you that such conflicts will not arise in the future or that we will be able to duly resolve such conflicts, should they arise.

36. *We may not successfully protect our technical know-how, which may result in the loss of our competitive advantage.*

We have developed a range of technical know-how relating to the manufacturing process of our products. This knowledge base has enhanced our ability to manage our manufacturing costs and improve our product quality to compete more effectively in the specialty chemical industry. Our technical know-how has been derived from the past experience of our management team and key employees as well as our research and development efforts. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the manufacturing process. Certain of our employees have access to confidential product information and amongst others, there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our competitors. Such technical know-how cannot be protected under the Indian legal system by way of registration with competent authorities, and as a result, we have to rely on employee confidentiality undertakings, a less effective means of protection.

Further, if the confidential technical information in respect of our products or business becomes available to third parties or the public, any competitive advantage we may have over our competitors could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have a material adverse effect on our business, results of operations, financial condition, cash flows and/or prospects.

37. *Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.*

Our business, manufacturing facilities, plant and machinery, inventory and other assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. There can be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by our Company or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

In December 2021, we have suffered damages because of a fire outbreak in the Chemolutions Facility. If an uninsured loss or a loss in excess of insured limits occur, we could suffer financial losses, lose all or a portion of our production capacity, as well as future revenue anticipated to be derived from the manufacturing activities, which could result in adversely affecting our financial condition and results of operations.

For further details of our insurance coverage, see “*Our Business – Insurance*” on page no. 102

38. *Negative publicity against us, our Promoter, Directors, our Subsidiaries, our suppliers, our customers or any of our or their affiliates could cause us reputational harm and could have a material adverse effect on our business, financial condition, results of operations and prospects.*

We, our Promoters, our Subsidiaries, our suppliers, our customers or any of our or their affiliates may be subject to negative publicity in relation to our or their business or staff, including publicity covering issues such as anti-corruption, safety and environmental protection. Such negative publicity, however, even if later proven to be false or misleading, and even where the entities or individuals implicated are members or employees of our suppliers, customers or their affiliates and not of us, could lead to a temporary or prolonged negative perception against us by virtue of our affiliation with such joint venture partners, suppliers, customers or affiliates. Our reputation in the marketplace is important to our ability to generate and retain business. In particular, damage to our reputation could be difficult and time-consuming to repair, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

39. *We may be subject to fraud, theft, employee negligence or similar incidents which may adversely affect results of operations and financial condition.*

Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during stocking or delivery. Our industry typically does not encounter inventory loss on account of employee theft, vendor fraud, and general administrative error. We maintain large amounts of inventory at our manufacturing facilities at all times and had a total inventory of ₹50,120.78 lakhs as on consolidated basis for the six month period ended September 30, 2024. There have been a couple of instances of loss in transit of our products. For instance (i) a shipment that was being transported to USA was damaged (water entered into a container); and (ii) Guaiacol (raw material for Vanillin) transported (by road) to Dahej (from Tarapur) was damaged due to an accident (the tanker overturned) We cannot confirm that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which if it occurs, could adversely affect our results of operations and financial condition.

40. *We enter into certain related party transactions in the ordinary course of our business, and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.*

We have entered into transactions with related parties in the past and from time to time, we may enter into related party transactions in the future. For further details, see “*Financial Statements – Note 42- Related Party Disclosures*” on page 215.

These transactions principally include purchase of goods and services, sale of goods and services, lease and rent of office, loan accepted, loan repayment and interest charged. While all such transactions have

been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

41. ***We have not commissioned an industry report for the disclosures made in the section titled "Industry Overview", and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us. We have also used references to public sources off the internet in the section titled "Our Business".***

We have not commissioned an industry report for the disclosures made in the chapter titled "***Industry Overview***" on page 83 of this LOF and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us. We have made disclosures in the said chapter on the basis of the relevant industry related data available from various publicly available information and online sources such as from the website of India Brand Equity Foundation (www.ibef.org). We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

Similarly, certain statements made in the chapter titled Business has been sourced from the reports published by Mordor Intelligence Report and Precedence Research available on the internet and such data has not been independently verified by us. We have made disclosures in the said chapter on the basis of the data available from various publicly available information and have not independently verified such data. We cannot assure you that any claims made therein are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the data in the chapter titled Business mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company.

42. ***Wage pressures and increases in operating costs in India may prevent us from sustaining our competitive advantage and may reduce our profit margins.***

Wage and operating expenses increase in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. Wages in India are increasing at a faster rate than in the developed economies, which could result in increased employee benefit expenses. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Further, the Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and has subsumed four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the Central Government. This may impact our wage structure and may lead to increased wage payments to our employees. Additionally, the cost of operating expenses is also increasing as India continues to grow. Compensation increases manifest a hike in operational costs which may reduce our profit margins.

43. ***If we are unable to establish and maintain 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. 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 effective 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. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our Equity Shares.

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. 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.

External Risk Factors

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

Economic and political factors that are beyond our control influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of the Government of India, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

45. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has implemented a major reform in Indian tax laws, namely the GST. The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST, with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. We cannot assure you that the relevant regulatory authorities will not make any material tax demands under GST on us in the future which could adversely impact our business, results of operations, financial condition, cash flows, and the price of the Equity Shares. Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax (“DDT”), in the hands of the company. However, the Government has amended the Income Tax Act, 1961 (“**Income Tax Act**”) to abolish the DDT regime. Accordingly, any dividend distribution by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the domestic company is required to withhold tax on such dividends distributed at the applicable rate. However, non-resident shareholders may claim benefit of an applicable tax treaty, read with the Multilateral Convention to

Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (Multilateral Instrument), if and to the extent applicable, subject to satisfaction of certain conditions. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of withholding tax pursuant to any corporate action including dividends. Further, the Government of India has recently announced the union budget for the financial year 2024-2025 ("**Budget**"). Pursuant to the Budget, the Finance Bill, 2024, *inter alia*, proposes to amend the capital gains tax rates with effect from the date of announcement of the Budget. However, the Finance Bill, 2024 has not yet been enacted into law. There is no certainty on the impact of the Budget on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in our Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Additionally, the Government of India has introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 (collectively, the "**Labour Codes**") which consolidate, subsume and replace numerous existing central labour legislations. The Government of India has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been notified in its entirety, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. 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. For example, the Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. Furthermore, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws has the ability to increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

The Parliament of India has passed the Bharatiya Nyaya Sanhita Bill, 2023, the Bharatiya Nagarik Suraksha Sanhita Bill, 2023 and the Bharatiya Sakshya Bill, which have replaced the Indian Penal Code, 1860, the Code of Criminal Procedure, 1973 and the Indian Evidence Act, 1872, respectively, with effect from July 1, 2024. The effect of the provisions of these on us and the litigations involving us cannot be predicted with certainty at this stage.

46. ***A downgrade in credit ratings of India may affect the trading price of the Equity Shares.***

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in June 2024 and from BBB- with a "stable" outlook to BBB- with a "negative" outlook (Fitch) in June 2020; and from BBB with a "negative" outlook to BBB (low) with a "stable" outlook by DBRS in May 2021. India's sovereign ratings from S&P is BBB- (long term) and A-3 (short term) with a "positive" outlook in May 2024. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could have an adverse effect on our ability to fund our growth on favourable

terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly the emerging Asian market countries. 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. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. dollar owing to various factors. 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 and could harm our business, future financial performance and the prices of our Equity Shares. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. For example, China is one of India's major trading partners and a slowdown in the Chinese economy or adverse developments in the relationship between the two countries could have an adverse impact on the trade relations between the two countries. Any significant financial disruption could have an adverse effect on our business, financial condition and results of operation.

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

48. ***If inflation rises in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in the past, and such volatility may occur in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and may adversely affect our business, cash flows and financial condition. In particular, we might not be able to reduce our costs or increase the amount of commission to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Furthermore, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

49. ***Investors may have difficulty in enforcing foreign judgments against our Company or our management.***

Our Company is incorporated under the laws of India and most of our Directors reside in India. Furthermore, significant portion of our assets, and the assets of our Key Managerial Personnel and Directors, are located in India. As a result, it may be difficult to effect service of process outside India upon us and our Directors or to enforce judgments obtained in courts outside India against us or our Directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Code**"). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and

Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, 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 fresh 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. Furthermore, there are considerable delays in the disposal of suits by Indian courts. 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 public policy in India. 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 the judgment.

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

Under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the Reserve Bank of India (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 fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Furthermore, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries and/or departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert the Rupee 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.

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

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the government approval route. Furthermore, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction and/or purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Non-debt Instruments Rules. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or conditions or at all. For further information, see “***Restrictions on Foreign Ownership of Indian Securities***” beginning on page 317.

51. ***Our ability to raise foreign capital may be constrained by Indian law and this may affect our business growth, financial condition and results of operations.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted

to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

52. ***Investors can be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares on a Stock Exchange, held for more than 12 months immediately preceding the date of transfer, will be subject to long term capital gains in India at the rate of 10% (plus applicable surcharge and cess). This beneficial provision is, *inter alia*, subject to payment of STT.

Furthermore, any gain realized on the sale of listed equity shares in an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits. Furthermore, any gain realized on the sale of the Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates. Further, the Government of India has recently announced Budget pursuant to which the Finance Bill, 2024, *inter alia*, proposes to amend the capital gains tax rates with effect from the date of announcement of the Budget. However, the Finance Bill, 2024 has not yet been enacted into law.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. We cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect our business, financial condition and results of operations. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning the Equity Shares.

53. ***Rights of shareholders under Indian laws may be different from laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights including in relation to class actions, under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

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

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

The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Any breach of the provisions of Competition Act, may attract substantial monetary penalties.

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

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

Any future issuance of the Equity Shares or securities linked to the Equity Shares by our Company, including issuance of Equity Shares to eligible employees (as defined in the ESOP Schemes), may dilute your shareholding. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise funds through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that our existing Shareholder (i.e. our Promoter) will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber its Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

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

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

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Company may be reduced.

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities,

and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on September 10, 2024 which was further modified through a resolution passed by our Board at its meeting held on November 22, 2024, pursuant to Section 62(1)(a) of the Companies Act. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Securities Issue and Allotment Committee at its meeting held on January 2, 2025.

The following is a summary of the Issue, and it should be read in conjunction with, and is qualified entirely by, the information set out in the chapter titled “*Terms of the Issue*” beginning on page 285 of this LOF.

Issue details in brief	
Rights Equity Shares being offered by our Company	Up to 2,04,26,244 Equity Shares
Rights Entitlement for the Rights Equity Shares	5 (Five) Rights Equity Shares for every 41 (Forty-One) fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 41 (Forty-One) Equity Shares or is not in multiples of 41 (Forty-One), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any
Record Date	Wednesday, January 8, 2025
Face Value per Rights Equity Share	₹ 1/- each
Issue Price	₹ 110/- per Equity Share (including a premium of ₹ 109/- per Rights Equity Share)
Issue Size	Up to ₹ 2,24,68,86,840/-* <i>*Assuming full subscription</i>
Equity Shares subscribed, fully paid-up and outstanding prior to the Issue	16,74,95,207 Equity Shares. For details, please refer to “ <i>Capital Structure</i> ” beginning on page 66 of this LOF
Equity Shares subscribed, paid-up and outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	18,79,21,451 Equity Shares
Security codes for the Equity Shares and the Right Entitlements	ISIN for Equity Shares: INE052I01032 BSE: 532834 NSE: CAMLINFINE ISIN for Rights Entitlements: INE052I20016
Use of Issue Proceeds	For details, please refer to “ <i>Objects of the Issue</i> ” beginning on page 69 of this LOF.
Terms of the Issue	For details, please refer to “ <i>Terms of the Issue</i> ” beginning on page 285 of this LOF.
Terms of Payment	The full amount is payable on application

GENERAL INFORMATION

Our Company was incorporated on November 30, 1993, pursuant to certificate of incorporation issued by RoC, as a private limited company under the name of “Camlicon Consultants Private Limited”. The name of our Company was changed to “Camlin Fine Chemicals Private Limited” and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on June 1, 2006. The name of our Company was changed to “Camlin Fine Chemicals Limited” and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the RoC on August 11, 2006. The name of our Company was then changed to “Camlin Fine Sciences Limited” and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on August 27, 2011.

Registered Office

Floor 2 to 5, Building "In G. S. Point", Plot No. VIII,
Private Layout Scheme, Opp. University Campus, C.S.T. Road, Kalina,
Santacruz (East), Mumbai, Maharashtra, 400098

Telephone: +91 022 6700 1000

Website: <https://www.camlinfs.com>

E-mail: secretarial@camlinfs.com

Corporate Identity Number: L74100MH1993PLC075361

Registration Number: 075361

Address of the Registrar of Companies

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

Registrar of Companies, Mumbai

100, Everest
Marine Drive,
Mumbai 400 002
Maharashtra, India

Company Secretary and Compliance Officer

Rahul Sawale

Floor 2 to 5, Building in G.S. Point, Plot No. VIII
Opp. University Campus, C.S.T. Road, Kalina
Santacruz East, Mumbai 400098

Telephone: +91 9920882621

E-mail: rahul.sawale@camlinfs.com

Details of Key Intermediaries pertaining to this Issue of our Company

Lead Managers to the Issue

Centrum Capital Limited

Level – 9, Centrum House
C.S.T Road, Vidyanagari Marg
Kalina, Santacruz East
Mumbai 400098

Telephone: +91 22 4215 9000

E-mail id: camlin.rights@centrum.co.in

Investor grievance e-mail id: igmbd@centrum.co.in

Contact person: Pooja Sanghvi/Tarun Parmani

Website: www.centrum.co.in

SEBI registration no.: INM000010445

InCred Capital Wealth Portfolio Managers Private Limited

Unit No 1203, 12th Floor

B Wing, The Capital

C-70, G Block, BKC

Bandra (E), Mumbai 400051

Telephone: +91-22-4161-1500

E-mail id: camlin.rights@incredcapital.com

Investor grievance e-mail id: customer.grievance@incredcapital.com

Contact person: Harish Mallawat

Website: <https://www.incredequities.com/>

Legal Advisor to the Issue**Rajani Associates, Advocates and Solicitors**

204-207, Krishna Chambers

59, New Marine Lines

Mumbai 400 020

Telephone: +91 22 4096 1002

E-mail: sangeeta@rajaniassociates.net

Contact Person: Sangeeta Lakhi

Statutory Auditors of our Company**Kalyaniwalla & Mistry LLP**

Esplanade House, 29,

Hazarimal Somani Road,

Fort, Mumbai 400001

Firm Registration Number: 104607W/W100166

Telephone: +91 22 61586200

E-mail: anil.kulkarni@kmlp.in

Peer Review Certificate Number: 017638

Registrar to the Issue**MUFG Intime India Private Limited**

(Previously Known as, "Link Intime India Private Limited")

C-101, 1st Floor, 247 Park

Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400 083

Maharashtra, India

Telephone: +91 810 811 4949

E-mail: camlin.rightsissue@linkintime.co.in

Investor Grievance ID: camlin.rightsissue@linkintime.co.in

Contact Person: Shanti Gopalkrishnan

Website: www.linkintime.co.in

SEBI Registration No.: INR000004058

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Form, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see "Terms of the Issue" on page 285 of this LOF.

Experts

1. Our Company has received consent from its Statutory Auditors, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants through its letter dated December 18, 2024 to include its name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Annual Financial Statements, of the Statutory Auditors, the audit reports in respect of the Annual Financial Statements and the reports issued by them, and the Statement of Possible Tax Benefits and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term “expert” and “consent” thereof shall not be construed to mean an “expert” or “consent” as defined under the U.S. Securities Act.
2. Our Company has received a written consent dated December 18, 2024 from M/s. SVS Associates, Chartered Engineer, as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificates issued in its’ capacity as Chartered Engineer and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term “expert” and “consent” thereof shall not be construed to mean an “expert” or “consent” as defined under the U.S. Securities Act.
3. Our Company has received a written consent dated November 27, 2024 from V A Bapat and Co, Independent Chartered Accountants, as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificates issued by them in its’ capacity as Independent Chartered Accountants and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term “expert” and “consent” thereof shall not be construed to mean an “expert” or “consent” as defined under the U.S. Securities Act.
4. Our Company has received a written consent dated December 18, 2024 from JHR and Associates, Practicing Company Secretary, as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificates issued by them in its’ capacity as Practicing Company Secretary and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term “expert” and “consent” thereof shall not be construed to mean an “expert” or “consent” as defined under the U.S. Securities Act.

Banker to the Issue

State Bank of India

Commercial Branch, N.G.N. Vaidya Marg,
Horniman Circle,
Mumbai – 400 001

Telephone: +91 22 22662295

E-mail: amt7.cumum@sbi.co.in; d.ojha@sbi.co.in

Contact Person: Mr. Devesh Ojha

Website: www.sbi.co.in

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Statement of Inter-se Allocation of Responsibilities

Sr. No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.	Centrum, InCred	Centrum
2.	Coordination for drafting and design of the Letter of Offer as per the SEBI ICDR Regulations, SEBI LODR Regulations and other	Centrum, InCred	Centrum

Sr. No.	Activity	Responsibility	Coordination
	stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI		
3.	Drafting, design and distribution of the Abridged Letter of Offer, Application Form, Rights Entitlement Letter etc. and memorandum containing salient features of the Letter of Offer	Centrum, InCred	Centrum
4.	Selection of various agencies connected with the Issue, namely Registrar to the Issue, printers, escrow bank, advertisement agencies, and Monitoring Agency and coordination of execution of related agreements	Centrum, InCred	Centrum
5.	Drafting and approval of all statutory advertisements	Centrum, InCred	Centrum
6.	Drafting and approval of all publicity material including corporate advertisement, brochures, corporate films, etc.	Centrum, InCred	Centrum
7.	Formulating and coordination of international marketing strategy and issue structuring	Centrum, InCred	Centrum
8.	Formulating and coordination of domestic marketing strategy	Centrum, InCred	InCred
9.	Formulating retail strategy (including high net worth individual/portfolio management services) which will cover, inter alia, distribution of publicity and Issue materials including application form, brochure and Letter of Offer and coordination for queries related to retail investors	Centrum, InCred	InCred
10.	Formalities for use of online software with Stock Exchanges	Centrum, InCred	Centrum
11.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Banker to the Issue and the SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, finalization of the Basis of Allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Issue, Banker to the Issue, SCSBs, etc., and coordination for underwriting arrangement, if any	Centrum, InCred	Centrum

Credit Rating

This is an issue of Equity Shares; credit rating is, therefore, not required.

Debenture Trustees

This is an issue of Equity Shares; the appointment of Debenture Trustees is, therefore, not required.

Monitoring Agency

Our Company has appointed, India Rating and Research Private Limited as a monitoring agency, in accordance with Regulation 82 of the SEBI ICDR Regulations, prior to filing of the Letter of Offer with the Stock Exchanges. The details of the Monitoring Agency are as follows:

India Ratings and Research Private Limited

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex,
Bandra (E) Mumbai-400 051

Telephone: 022-40001700

E-mail: infogrp@indiaratings.co.in

Contact Person: Mr. Allwyn Chettiar

Website: www.indiaratings.co.in

Underwriting Agreement

The Issue is not underwritten, and our Company has not entered into any underwriting agreement.

Changes in Auditors during the last three years

Nil

Issue Schedule

Last Date for credit of Rights Entitlements	Monday, January 13, 2025
Issue Opening Date	Friday, January 17, 2025
Last date for On-Market Renunciation of Rights Entitlements[#]	Tuesday, January 21, 2025
Issue Closing Date[*]	Monday, January 27, 2025
Finalization of Basis of Allotment (on or about)	Friday, January 31, 2025
Date of Allotment (on or about)	Friday, January 31, 2025
Date of credit (on or about)	Wednesday, February 5, 2025
Date of listing (on or about)	Friday, February 7, 2025

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

**Our Board, or a duly authorized committee thereof, will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Managers.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date have not provided details of their demat accounts to our Company or to the Registrar, they must provide their demat account details to our Company or the Registrar no later than two clear working days prior to the Issue Closing Date, i.e., Monday, January 27, 2025 to enable credit of the Rights Entitlements to their respective demat accounts by transfer from the demat suspense escrow account, which will happen one day prior to the Issue Closing Date, i.e., Monday, January 27, 2025. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (*i.e.* www.linkintime.co.in/EmailReg/Email_Register.html). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements are credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms duly complete in all respect and duly signed as per signature recorded with the Company or the Registrar on or before the Issue Closing Date. Our Company, Lead Managers or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. It is encouraged that the Application Forms are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to "**Terms of the Issue - Procedure for Application**" beginning on page 299 of this LOF.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder may be accessed by such respective Eligible Equity Shareholder on the website of the Registrar at www.linkintime.com after keying in their respective details along with other security control measures implemented thereat. For further details, please refer to "**Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**" beginning on page 302 of this LOF.

Please note that if no valid Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from the market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who receive credit for the Rights Entitlements must make an application to subscribe to the Equity Shares offered under the Rights Issue.

Minimum Subscription

Pursuant to letters each dated December 18, 2024 our Promoters and Promoter Group members, respectively have confirmed to (a) subscribe, to the full extent of their Rights Entitlement ("**RE**") in the Issue or renounce

their RE in the favor of the other Promoters/Promoter Group of our Company and (b) if subscribed to the full extent of their RE, our Promoters/Promoter Group have confirmed to subscribe to the additional Equity Shares in the Issue, either in the form of subscription to the RE renounced in their favour and/or subscription to the additional Equity Shares as a Renouncee or otherwise. Such subscription, if any, to be made, shall be in accordance with Regulation 3 of the Takeover Regulations and the exemption under Regulation 10(4) of Takeover Regulations. Further, such subscription shall not result in breach of minimum public shareholding requirement stipulated in the SEBI Listing Regulations and the Securities Contracts (Regulation) Rules, 1957, as amended.

Further, as the Objects of the Issue involve repayment or prepayment, in full or in part, of certain borrowings availed by our Company, the minimum subscription of 90% as per Regulation 86 of SEBI ICDR Regulations will not be applicable to this Issue.

Appraising Entity

The objects of this Issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

Filing

This Letter of Offer is being filed with BSE, NSE and SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, being BSE, do an online filing with SEBI through the SEBI intermediary portal at www.siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

CAPITAL STRUCTURE

The share capital of our Company, as at the date of this Letter of Offer, and details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below:

<i>(in ₹, except shares data)</i>		
	Aggregate value at Face Value	Aggregate value at Issue Price
A	AUTHORISED SHARE CAPITAL	
	21,50,00,000 Equity Shares of ₹1 each	21,50,00,000
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE	
	16,74,95,207 Equity Shares of ₹1 each	16,74,95,207
C	PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER⁽¹⁾⁽²⁾	
	Up to 2,04,26,244 Equity Shares, each at a premium of ₹ 109 per Rights Equity Share, i.e., at a price of ₹ 110 per Rights Equity Share	2,04,26,244
		2,24,68,86,840
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE⁽²⁾	
	18,79,21,451 Equity Shares of ₹ 1 each, fully paid up	18,79,21,451
E	SECURITIES PREMIUM ACCOUNT	
	Before the Issue	49,051.57
	After the Issue ⁽²⁾	71,316.18

⁽¹⁾The Issue has been authorised by our Board pursuant to a resolution dated September 10, 2024 which was further modified through a resolution passed by our Board at its meeting held on November 22, 2024. The terms of the Issue, including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Securities Issue and Allotment Committee at their meeting held on January 02, 2025.

⁽²⁾ Assuming full subscription for, and allotment of, the Equity Shares. Subject to finalisation of Basis of Allotment, allotment and deduction of Issue related expenses.

Notes to the Capital Structure

- Except as detailed below, no Equity Shares or convertible securities have been acquired by the Promoters or the members of the Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange:

Sr. No.	Name	Date of Acquisition	Type of Securities	Number of Securities	Transaction Value (in ₹)
1.	Ashish Dandekar	March 06, 2024	Equity Shares	48,11,400	54,63,34,470
2.	Anfima NV	April 05, 2024	Equity Shares	23,00,000	22,53,77,000
3.	Infinity Portfolio Holdings	September 04, 2024	Equity Shares	20,02,186	20,56,00,913
4.	Ashish Dandekar	December 10, 2024	Equity Shares	5,08,000	Nil*
5.	Anagha Dandekar	December 10, 2024	Equity Shares	5,08,000	Nil*

* Transmission of equity shares to the nominees of Late Mr. Subhash Dandekar

- Details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group:**

The details of shares locked-in, pledged and encumbered by the Promoters and Promoter Group may be accessed on the website of the BSE and NSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532834&qtrid=123.00&QtrName=Sep-24> and <https://www.nseindia.com/get-quotes/equity?symbol=CAMLINFINE>, respectively.

- Intention and extent of participation by our Promoters and Promoter Group in the Issue:**

Pursuant to letters each dated December 18, 2024, our Promoters/Promoter Group members, respectively have confirmed to (a) subscribe, to the full extent of their Rights Entitlement ("RE") in the Issue or renounce their RE in the favor of the other Promoters/Promoter Group of our Company and (b) if subscribed to the full extent of their RE, our Promoters/Promoter Group have confirmed to subscribe

to the additional Equity Shares in the Issue, either in the form of subscription to the RE renounced in their favour and/or subscription to the additional Equity Shares as a Renouncee or otherwise. Such subscription, if any, to be made, shall be in accordance with Regulation 3 of the Takeover Regulations and the exemption under Regulation 10(4) of Takeover Regulations. Further, such subscription shall not result in breach of minimum public shareholding requirement stipulated in the SEBI Listing Regulations and the Securities Contracts (Regulation) Rules, 1957, as amended.

Further, as the Objects of the Issue involve repayment or prepayment, in full or in part, of certain borrowings availed by our Company, the minimum subscription of 90% as per Regulation 86 of SEBI ICDR Regulations will not be applicable to this Issue.

4. The ex-rights price of the Equity Shares offered pursuant to this Issue and in compliance with the valuation formula set out in Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹ 114.45/- per Equity Share.
5. **Shareholding Pattern of our Company as per the last filing with the Stock Exchange, in compliance with the provisions of the SEBI LODR Regulations:**
 - (i) The shareholding pattern of our Company, as on September 30, 2024, may be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/camlin-fine-sciences-ltd/camlinfine/532834/qtrid/123.00/shareholding-pattern/Sep-2024/> and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=CAMLINFINE>
 - (ii) A statement as on September 30, 2024, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", including equity shareholders holding more than 1% of the total number of Equity Shares, as well as details of shares which remain unclaimed may be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpdrPercent.aspx?scripcd=532834&qtrid=123.00&Company=CAMLIN%20FINE%20SCIENCES%20LTD.&QtrName=Sep-24&Type=TM> and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=CAMLINFINE>
 - (iii) A statement as on September 30, 2024, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", may be accessed on the website of the NSE <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532834&qtrid=123.00&QtrName=Sep-24> and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=CAMLINFINE>.
6. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing this Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.
7. At any given time, there shall be only one denomination of the Equity Shares of our Company.
8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid-up. For further details on the terms of the Issue, please see "*Terms of the Issue*" on page 285 of this LOF.
9. **Details of outstanding securities of our Company**

Except what is stated below, as on date of this Letter of Offer, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer.

Particulars	ESOP Scheme 2018	ESOP Scheme 2020
Options granted	5,41,000	39,12,096
Options vested	5,41,000	39,12,096
Options exercised	4,39,725	42,500

Particulars	ESOP Scheme 2018	ESOP Scheme 2020
Options forfeited / lapsed	92,400	Nil
Total number of Unvested Options in force	Nil	Nil
Total number of Exercisable Options in force	8,875	38,69,596
Money realized by exercise of Options (in ₹)	2,19,86,250	27,02,575

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Prepayment and / or repayment, in full or in part, of certain borrowings availed by our Company; and
2. General corporate purposes.
(collectively, referred to as the “Objects”)

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable our Company to undertake: (i) its existing activities; (ii) the activities proposed to be funded from the Net Proceeds; and (iii) undertake the activities for which borrowings were availed and which are proposed to be repaid from the Net Proceeds.

1. Net Proceeds

The details of the Net Proceeds of the Issue are summarized in the table below:

<i>(in ₹ lakhs)</i>	
Particulars	Estimated Amount
Gross proceeds of the Issue*	22,468.87
(Less) Estimated Issue related expenses **	(198.74)
Net Proceeds**	22,270.13

* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

** For details, see “- Estimated Issue related expenses” on page 72 of this LOF

2. Requirement of funds and utilization of Net Proceeds

Our Company proposes to utilize the Net Proceeds in accordance with the details set forth in the below table:

<i>(in ₹ lakhs)</i>	
Particulars	Estimated Amount
Prepayment and / or repayment, in full or in part, of certain borrowings availed by our Company	16,905.29
General corporate purposes*	5,364.84
Net Proceeds**	22,270.13

* The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds, in accordance with the SEBI ICDR Regulations.

** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

The funding requirements and deployment of funds are based on management estimates, existing circumstances of our businesses and prevailing market conditions, which may be subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See “**Risk Factors – Our proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Further, we may not be able to utilize the proceeds from this Issue in a timely manner or at all.**” on page 37 of this LOF.

We may have to revise our funding requirements and deployment on account of a variety of factors, such as our financial and market condition, business and strategy, competition and 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.

Subject to applicable law, if the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes, to extent that the total amount to be utilized will not exceed 25% of the Net Proceeds.

3. Means of finance

The Net Proceeds will not be utilized for financing a particular project, accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and internal accruals as required under the SEBI ICDR Regulations.

4. Proposed schedule of implementation and deployment of Net Proceeds

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

(in ₹ lakhs)

Particulars	Estimated utilization from Net Proceeds	Proposed Schedule for deployment of the Net Proceeds	
		Fiscal 2025	Fiscal 2026
Repayment or prepayment, in full or in part, of certain borrowings availed by our Company	16,905.290	12,063.74	4,841.55
General corporate purposes*	5,364.84	5,364.84	-
Net Proceeds**	22,270.13	17,428.58	4,841.55

*The amount shall not exceed 25% of the Net Proceeds.

** Assuming full subscription in the Issue and subject to finalization of Basis of Allotment.

In the event that the estimated utilization of the Net Proceeds in a scheduled Fiscal is not completely met (in full or in part), due to factors such as (i) economic and business conditions; (ii) the timing of completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. Any change in estimated schedule of utilization shall be subject to shareholders' approvals and in accordance with applicable laws.

In the event that the Net Proceeds are not completely utilized for the purposes stated above and as per the estimated schedule of utilization specified above, the same would be utilized in subsequent Fiscals for achieving the Objects.

Details of the Objects of the Issue

1. Prepayment and / or repayment, in full or in part, of certain borrowings availed by our Company

Our Company has, in the ordinary course of business, entered into financing arrangements with banks, financial institutions and other entities to avail term loans, working capital facilities and non-convertible debentures. As on December 10, 2024, our total outstanding borrowings (non-current borrowings and current borrowings) on a standalone basis is ₹ 56,381.74 lakhs (excluding interest).

Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings as well as the sanctioned limits may vary from time to time with the business cycles of our Company, and our Company may, in accordance with the relevant schedule, repay or refinance some of its existing borrowings prior to allotment of Rights Equity Shares and accordingly, additional borrowings availed by our Company may be repaid or redeemed out of the Net Proceeds.

We believe that the prepayment and / or repayment, of a portion of certain outstanding borrowings availed by our Company, will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion.

The selection of borrowings proposed to be repaid or redeemed will be based on various factors, including:

- (i) cost of the borrowing, including applicable interest rates,
- (ii) any conditions attached to the borrowings restricting our ability to repay or redeem the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions,
- (iii) terms and conditions of such consents and waivers,
- (iv) levy of any redemption penalties and the quantum thereof,
- (v) provisions of any laws, rules and regulations governing such borrowings, and
- (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

Our Company proposes to utilize an estimated amount of upto ₹ 16,905.29 lakhs from the Net Proceeds towards prepayment and / or repayment, in full or in part, of certain borrowings availed by our Company. The table listed below provides details of the certain borrowings availed by our Company which are outstanding as on December 10, 2024, which are currently proposed to be prepaid and / or repaid, from the Net Proceeds.

A) Details of outstanding loans which are proposed to be prepaid and / or repaid, in full or in part are as follows:

Name of lending Parties	Nature of Borrowing	Date of the sanction letter/ loan agreement	Principal amount sanctioned as on December 10, 2024 (in ₹ lakhs)	Principal amount outstanding as on December 10, 2024 (in ₹ lakhs)	Rate of Interest (% p.a.)	Amount proposed to be repaid or prepaid out of Net Proceeds (in ₹ lakhs)	Purpose for which the borrowing was sanctioned and utilized ¹	Tenure (in months)
IndusInd Bank of India	Term loan	March 22, 2021	1,494.95	467.00	8.80	311.50	For working capital purpose	60
	Term loan	March 05, 2021	292.00	108.85	8.35	51.56	For working capital purpose	60
	Term loan	March 16, 2023	978.00	978.00	9.25	122.25	For working capital purpose	72
State Bank of India	Term loan	February 22, 2021	1,615.00	504.69	7.95	336.46	For working capital purpose	60
	Term loan	March 17, 2023	1,105.00	1,105.00	9.25	207.19	For working capital purpose	72
Punjab National Bank	Term loan	December 17, 2020	588.00	223.65	8.35	105.94	For working capital purpose	60
	Term loan	March 02, 2023	317.00	317.00	9.25	52.83	For working capital purpose	72
IFC	Foreign currency term loan	June 28, 2018	12,727.97 [#]	10,606.64 [#]	9.76	2,121.33	For reimbursement of capital expenditure	108
EXIM	Term loan	March 28, 2022	9,500.00	9,450.00	9.35	1,240.14	For reimbursement of capital expenditure	108
Mynd Solutions Private Limited	Short term loan	March 06, 2024	5,300.00	3,831.09	7.75 - 8.50	2,356.09	For purchase and service bill discounting from various banks registered under TReDS platform	Up to 6
Total			33,917.92	27,591.92		6,905.29		

[#] Exchange rate being 1 USD = ₹ 84.85 as on December 10, 2024 (Source: www.fbil.org.in)

B) Details of the NCDs which are proposed to be redeemed, in full are as follows:

ISIN	Date of issue	Date of maturity	Rate of Interest (% p.a.)	Name of Debenture holder	Maturity amount (₹ in lakhs)	Amount proposed to be repaid out of Net Proceeds (₹ in lakhs)	Purpose ^{1,2}
INE052I07013	December 05, 2024	January 4, 2026	16	True North Credit Opportunities Fund I	10,000.00	10,000.00	For working capital and general corporate purpose
Total					10,000.00	10,000.00	

Notes:

¹ As certified by VA Bapat & Co, Chartered Accountants, by way of their certificate dated December 18, 2024, the borrowings as mentioned in the table above have been utilized towards the purposes for which such borrowings were availed.

² Pursuant to the Mandatory Repayment Event clause as defined in the Debenture Trust Deed, "if any time our Company offers any securities to its shareholders (including the Rights Issue) or any other person, our Company shall promptly notify the same to the Debenture Trustee and shall mandatorily redeem all the outstanding NCDs and repay the debt, within 3 Business Days from the date of certificate of the lead manager to the Rights Issue permitting the utilisation of proceeds from the Rights Issue towards objects of the Rights Issue."

Our Company has obtained the consents, waivers, and no-objections from the requisite lenders in terms of the respective facility documents in relation to the Issue, including but not limited to carrying out any of the actions that may be required in connection with the Issue.

2. General corporate purposes

The Net Proceeds will first be utilized for the Objects set out above, subject to which, our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to the utilization for general corporate purposes not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations.

Our Company proposes to utilize the Net Proceeds to drive our business growth, including, amongst other things, investments for inorganic growth, capital expenditure, funding growth opportunities, including strategic initiatives, meeting our working capital requirements, payment of interest on borrowings, and, meeting of exigencies which our Company may face in its course of the business and any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof, subject to meeting regulatory requirements and obtaining necessary approvals/consents, as applicable.

Our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes, subject to compliance with applicable laws. 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.

3. Estimated Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹198.74 lakhs. The estimated Issue related expenses are set out below.

Activity	Estimated amount (in ₹ lakhs)	Percentage of the total estimated Issue expenses (%)	Percentage of the total Issue size (%)
Fees payable to the Lead Managers, legal advisors, other professional service providers [^]	125.45	63.12	0.56
Fees payable to the Registrar to the Issue	5.90	2.97	0.03
Fees payable to the Monitoring Agency	10.33	5.20	0.05
Advertising, marketing expenses and shareholder outreach expenses	7.40	3.72	0.03

Activity	Estimated amount	Percentage of the total estimated Issue expenses	Percentage of the total Issue size
	(in ₹ lakhs)	(%)	(%)
Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fee	34.66	17.44	0.15
Printing and stationery, distribution, postage, etc.	2.50	1.26	0.01
Other expenses (including miscellaneous expenses and stamp duty)	12.50	6.29	0.06
Total estimated Issue expenses*	198.74	100.00	0.88

* Includes applicable taxes, if any.

^ Includes fees payable to the Legal Counsel, Statutory Auditors, Practicing Company Secretary, Independent Chartered Accountant, Independent Chartered Engineer, Virtual data room provider etc.

4. Interim use of the Net Proceeds

Pending utilization of the Net Proceeds for the Objects, our Company undertakes to deposit the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly appointed committee thereof.

5. Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilized has been appraised by any bank, financial institution or any other external agency. See ***“Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Further, we may not be able to utilize the proceeds from this Issue in a timely manner or at all.”*** on page 37 of this LOF.

6. Bridge financing facilities

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

7. Monitoring of utilization of funds

Our Company has appointed India Ratings and Research Private Limited as the Monitoring Agency for the Issue to monitor the utilization of the Gross Proceeds. The Monitoring Agency shall submit a report to our Board, till 100% of the Gross Proceeds has been utilised, as required under the SEBI ICDR Regulations. Our Company will disclose the utilization of the Gross Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate instances, if any, of unutilized Gross Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI LODR Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. Further, pursuant to Regulation 32(5) of the SEBI LODR Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer 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 Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor(s) of our Company or a peer reviewed independent chartered accountant, which shall be submitted by our Company with the Monitoring Agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI LODR 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 of the Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published on our website and explanation for such variation (if any) will be included in our Directors' report, after placing it before the Audit Committee.

8. Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

9. Other confirmations

No part of the Proceeds of the Issue will be paid by our Company to our Promoters, our Promoter Group, our Directors our Key Managerial Personnel or Senior Management Personnel, other than in the ordinary course of business.

Our Promoters, our Promoter Group and our Directors do not have any interest in the Objects of the Issue.

There are no material existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, our Promoter Group, our Directors and our Key Managerial Personnel or Senior Management Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

**The Board of Directors,
Camlin Fine Sciences Limited,**
Floor 2 to 5, Building in G.S. Point, Plot No. VIII,
Opp. University Campus, C.S.T. Road, Kalina,
Santacruz East, Mumbai- 400 098.

Dear Sirs/Madam,

Re: Proposed rights issue of equity shares of face value of Re. 1 each (“Equity Shares”) of Camlin Fine Sciences Limited (“Company” and such rights issue, the “Issue”).

This report is issued in accordance with the terms of our engagement letter dated December 04, 2024 with the Company in the context of the Issue in accordance with Chapter III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”) and applicable provisions of the Companies Act, 2013, as amended (the “Companies Act”).

We, Kalyaniwalla & Mistry LLP, Chartered Accountants, (“we” or “us” or “our” or “Firm”) hereby report that the enclosed statement in the Annexure ‘II’, states the possible special tax benefits under direct tax laws i.e. Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by the Finance Act, 2024 (hereinafter referred to as “Direct Tax Laws”) , and the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 (hereinafter referred to as “Indirect Tax Laws”) as amended, including the the relevant rules and regulations, circulars and notifications issued thereunder available to the Company, its shareholders and its material subsidiaries in India, which is defined in Annexure ‘I’ (List of material subsidiaries considered as part of the statement). Several of these benefits are dependent on the Company, its shareholders and its material subsidiaries in India as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders and its material subsidiaries in India to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its shareholders and its material subsidiaries in India may face in the future and accordingly, the Company, its shareholders and its material subsidiaries in India may or may not choose to fulfill.

Management’s Responsibilities:

The preparation of the Annexure ‘I’ and ‘II’ stating the possible special tax benefits available to Company, its shareholders and its material subsidiaries in India as per the provisions of the Direct Tax and Indirect Tax Laws including the rules, regulations, circulars and notifications issued in connection with the Direct Tax and Indirect Tax Laws, as presently in force is the responsibility of the management of the Company including the maintenance of all accounting and other relevant supporting records and documents.

The preparation of the accompanying statements are accurate, complete, and free from misstatement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents.

The Management is also responsible for ensuring that the Company complies with the relevant requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended and the Companies Act, 2013 in connection with the Issue and provide all relevant information that is complete, accurate and timely instructions or information relevant to the engagement.

Auditors’ Responsibilities:

We conducted our examination of the accompanying Annexure ‘A’ Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We confirm that while providing this report, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”). We also have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, ‘*Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements*,’ issued by the ICAI.

The benefits discussed in the accompanying Annexure ‘I’ cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and do not cover any general tax benefits available to the Company or its shareholders. The tax benefits listed herein are only the possible special tax benefits which may be available under the current direct tax laws and indirect tax laws presently in force in India. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The benefits discussed in accompanying Annexure ‘II’ are not exhaustive. The preparation of the contents stated in the Annexure is the responsibility of the Company’s management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

We do not express any opinion or provide any assurance as to whether:

- (i) the Company, its shareholders and its material subsidiaries in India will continue to obtain these benefits in future; or
- (ii) the conditions prescribed for availing the benefits, where applicable, have been/would be met with.

The contents of the accompanying 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.

Our views expressed herein are based on the facts and assumptions indicated to us. 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 the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this engagement except to the extent of fees relating to this engagement, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We also consent to the references to us as “Experts” as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Letter of Offer (“LOF”) and the Abridged Letter of Offer (“ALOF”) and other related documents issued in relation to the Issue (collectively the, “**Issue Documents**”) of the Company or in any other documents in connection with the Issue.

We hereby give consent to include this statement of possible special tax benefits in the Issue Documents and in any other material used in connection with the Issue.

This report is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Issue Documents and any other material used in connection with the Issue, and for the submission of this report as may be necessary, to any regulatory/statutory authority, recognized stock exchange, any other authority as may be required and/or for the records to be maintained by the Lead Managers in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Lead Managers may wish to advance in any claim or proceeding in connection with the contents of the Issue Documents.

This report may be relied on by the Company, Lead Managers, their affiliates, and the legal counsel in relation to the Issue.

We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the equity shares are issued. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the equity shares are issued.

Yours faithfully,

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
Firm Registration No.: 104607W/W100166

Anil A. Kulkarni
Partner
Membership No.: 047576
Date: January 09, 2025
Place: Pune

Annexure 'I'

List of material subsidiaries in India considered as part of statement

There is no material subsidiary in India.

ANNEXURE 'II'

I. STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO CAMLIN FINE SCIENCES LIMITED (THE "COMPANY"), IT'S SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES IN INDIA UNDER THE INCOME TAX ACT, 1961 (HEREINAFTER REFERRED TO AS "DIRECT TAX LAWS")

1. Special tax benefits available to the Company under the Direct Tax Laws

a) Deduction under section 10AA of the Income-tax Act, 1961 ('the Act') is available after fulfilling conditions as per the respective provisions of the relevant tax laws.

Section 10AA of the Act provides that an assessee being a manufacturer or provider of services from a Special Economic Zone ('SEZ'), during the previous year commencing on or after the 1st day of April 2006, in computing his total income can claim a deduction of hundred per cent of profits and gains derived from the export, of such articles or things or from services for a period of five consecutive assessment years beginning with the assessment year relevant to the previous year in which the Unit begins to manufacture or produce such articles or things or provide services, as the case may be, and fifty per cent of such profits and gains for further five assessment years and thereafter. Further, the assessee can avail fifty percent of the profits as deduction for the next five consecutive assessment years provided the deduction is credited to a reserve account and utilized for the purposes specified therein. The deduction is available in respect of profits of the business, in the proportion in which the export turnover bears to the total turnover of the business carried out by the Company.

In order to avail the tax benefits under section 10AA of the Act, inter alia, the following conditions must be fulfilled:

- An undertaking must have been set up in a SEZ, which begins to manufacture or produce articles or provide services on or after April 01, 2006.
- The undertaking should not be formed by the transfer to a new business of machinery or plant previously used for any purpose. This condition is relaxed where the used plant and machinery does not constitute more than 20 per cent of the total value of the machinery or plant used in the new business ('the 80:20 test'); and
- The undertaking should not be formed by splitting up or reconstruction, of an existing business ('splitting up and reconstruction test').
- The Company, being an entrepreneur as referred in clause (j) of section 2 of the Special Economic Zones Act, 2005 has set-up following units in the Special Economic Zone ('SEZ'). Details are tabulated below:

SEZ Unit	Location and address of SEZ Unit	Year of Operation in FY2024-25 for 10AA Claim *
Dahej SEZ Division Unit	Plot no Z/96/D PART II, Dahej Sez Vagra, Dahej S.O, Dahej, Bharuch, 392130, Gujarat, India	5

* From the year of commencement of production

The company cannot avail this benefit if it chooses to opt for lower corporate tax rate u/s.115BAA.

b) Lower corporate tax rate under section 115BAA of the Income-tax Act, 1961 ('the Act')

Section 115BAA has been inserted in the Act w.e.f. April 01, 2020 (A.Y. 2020-21). Section 115BAA of the Act grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced

rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the said option will not be required to pay Minimum Alternate Tax ('MAT') on their 'book profits' under section 115JB of the Act.

However, such a company will no longer be eligible to avail specified exemptions / incentives/deductions under the Act and will also need to comply with the other conditions specified in section 115BAA of the Act. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has not opted to apply section 115BAA of the Act for Financial Year 2023-24.

c) Section 80JJAA – Deduction in respect of employment of new employees

As per section 80JJAA of the Act, the Company is entitled to claim deduction of an amount equal to thirty percentage of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

The Company will be eligible to claim the above deduction even if it opts for concessional tax rate under section 115BAA of the Act.

d) Section 80M – Deduction in respect of inter-corporate dividends

A new Section 80M has been inserted by the Finance Act, 2020 w.e.f., April 01, 2020 (AY 2021-22) provides for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the due date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the Company receives any such dividends during a Financial Year and also distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80M of the Act.

2. Special tax benefits available to the shareholders under the Direct Tax Laws

There is no special direct tax benefit available to the shareholders of the Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates which are in the nature of general tax benefits on certain incomes available to equity shareholders under the provisions of the Act.

3. Special tax benefits available to the material subsidiaries in India under the Direct Tax Laws

There is no material subsidiary in India.

Notes:

- a) 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.
- b) The above statement covers only certain relevant Direct Tax Laws benefits and does not cover any Indirect Tax Laws benefits or benefit under any other law.
- c) The above statement of possible special tax benefits is as per the current Direct Tax Laws relevant for the assessment year 2025-26.

- d) 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.
- e) 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.
- f) 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.

II. STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO CAMLIN FINE SCIENCES LIMITED (THE “COMPANY”), ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES IN INDIA UNDER THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, INTEGRATED GOODS AND SERVICES TAX ACT, 2017, RESPECTIVE STATE GOODS AND SERVICES TAX ACT, 2017 (‘GST ACT), CUSTOMS ACT, 1962 (‘CUSTOM ACT’), CUSTOMS TARIFF ACT, 1975 (‘TARRIF ACT’) (HEREINAFTER REFERRED TO AS “INDIRECT TAX LAWS”)

1. Special tax benefits available to the Company under the Indirect Tax Laws

- a) **Under the Special Economic Zone Act (SEZ), 2005, following indirect tax benefits would be available subject to fulfilment of specified conditions and procedures prescribed under the relevant legislations:**
 - i) Goods or services imported in SEZ unit for carrying out authorized operations approved by the Development Commissioner are exempt from any duty of Customs under the Customs Act, 1962 or the Custom Tariff Act, 1975, Integrated Goods and Services Tax Act, 2017 or any other law of Central Government.
 - ii) Goods or services brought from DTA to SEZ unit to carry on the authorized operations approved by the Development Commissioner are exempt from any taxes under Integrated Goods and Services Tax Act, 2017.

Any other benefits as may be available from time to time as per the provisions of State GST law or as per policies under any other legislations of State Government (depending upon the relevant State where the unit is set-up).

b) Export of services under the GST Law

The specific tax benefit of not charging GST on supply of services considered as ‘export of services’ in terms of Section 2(6) of the IGST Act is available to the Company under Section 16 of the IGST Act upon fulfilment of the specified conditions. On account of zero rating of supplies, the supplier is entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies and can seek refund of accumulated / unutilized ITC.

Exporters can export services under Letter of Undertaking (LUT) without payment of IGST and claim refund of unutilized input tax credit accumulated in the electronic credit ledger owing to the zero-rated nature of supply.

In cases where GST is discharged by the Company on the export of services in terms of section 16 of the IGST Act, the Company is entitled to claim a refund of such GST paid under Section 54 of the CGST Act.

2. Special tax benefits available to the shareholders under the Indirect Tax Laws

There are no special indirect tax benefits available in the hands of shareholders of the Company by virtue of their investment in the shares of the Company.

3. Special tax benefits available to the material subsidiaries in India under the Indirect Tax Laws

There is no material subsidiary in India.

Notes:

- a) The above statement is based upon the provisions of the specified Indirect Tax Laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b) The above statement covers only above-mentioned indirect tax laws benefits and does not cover any Direct Tax Laws benefits or benefit under any other law.
- c) 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.
- d) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Overview of the Indian Economy

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at current prices for the first quarter of 2024-25 was estimated at Rs. 77.31 lakh crores (US\$ 928.9 billion) with growth rate of 9.7%, compared to the growth of 8.5% for Q1 2023-24. The growth in nominal GDP during 2023-24 was estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure were the key driver of the GDP in the second half of FY24. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months. As per IMF, the GDP growth in India is projected to be 7% in 2024 and 6.5% in 2025.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

(Source: <https://www.ibef.org/economy/indian-economy-overview> ; World Economic Outlook – October 2024 as published by IMF)

Overview of the World Economy

Following a reopening rebound in 2022, growth in advanced economies markedly slowed in 2023 and is projected to remain steady, oscillating between 1.7 and 1.8 % until 2029. This apparent stability conceals differing country dynamics as various cyclical forces unwind and economic activity gets back in line with potential.

(Source: *World Economic Outlook October 2024, as available on <https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024>*)

World Economic Outlook Projections (Annual percentages unless mentioned otherwise)

	2023	Projections		Difference from July 2024 WEO Update ¹		Difference from April 2024 WEO ¹	
		2024	2025	2024	2025	2024	2025
World Output	3.3	3.2	3.2	0.0	-0.1	0.0	0.0
Advanced Economies	1.7	1.8	1.8	0.1	0.0	0.1	0.0
United States	2.9	2.8	2.2	0.2	0.3	0.1	0.3
Euro Area	0.4	0.8	1.2	-0.1	-0.3	0.0	-0.3
Germany	-0.3	0.0	0.8	-0.2	-0.5	-0.2	-0.5
France	1.1	1.1	1.1	0.2	-0.2	0.4	-0.3
Italy	0.7	0.7	0.8	0.0	-0.1	0.0	0.1
Spain	2.7	2.9	2.1	0.5	0.0	1.0	0.0
Japan	1.7	0.3	1.1	-0.4	0.1	-0.6	0.1
United Kingdom	0.3	1.1	1.5	0.4	0.0	0.6	0.0
Canada	1.2	1.3	2.4	0.0	0.0	0.1	0.1
Other Advanced Economies ²	1.8	2.1	2.2	0.1	0.0	0.1	-0.2
Emerging Market and Developing Economies	4.4	4.2	4.2	0.0	-0.1	0.1	0.0
Emerging and Developing Asia	5.7	5.3	5.0	-0.1	-0.1	0.1	0.1
China	5.2	4.8	4.5	-0.2	0.0	0.2	0.4
India ³	8.2	7.0	6.5	0.0	0.0	0.2	0.0
Emerging and Developing Europe	3.3	3.2	2.2	0.0	-0.3	0.1	-0.6
Russia	3.6	3.6	1.3	0.4	-0.2	0.4	-0.5
Latin America and the Caribbean	2.2	2.1	2.5	0.3	-0.2	0.2	0.0
Brazil	2.9	3.0	2.2	0.9	-0.2	0.8	0.1
Mexico	3.2	1.5	1.3	-0.7	-0.3	-0.9	-0.1
Middle East and Central Asia	2.1	2.4	3.9	0.0	0.0	-0.4	-0.3
Saudi Arabia	-0.8	1.5	4.6	-0.2	-0.1	-1.1	-1.4
Sub-Saharan Africa	3.6	3.6	4.2	-0.1	0.1	-0.2	0.1
Nigeria	2.9	2.9	3.2	-0.2	0.2	-0.4	0.2
South Africa	0.7	1.1	1.5	0.2	0.3	0.2	0.3
<i>Memorandum</i>							
World Growth Based on Market Exchange Rates	2.8	2.7	2.8	0.0	0.0	0.0	0.1
European Union	0.6	1.1	1.6	-0.1	-0.2	0.0	-0.2
ASEAN-5 ⁴	4.0	4.5	4.5	0.1	-0.1	0.1	0.0
Middle East and North Africa	1.9	2.1	4.0	-0.1	0.1	-0.6	-0.2
Emerging Market and Middle-Income Economies	4.4	4.2	4.2	-0.1	0.0	0.1	0.1
Low-Income Developing Countries	4.1	4.0	4.7	-0.2	-0.4	-0.5	-0.4
World Trade Volume (goods and services)	0.8	3.1	3.4	0.0	0.0	0.1	0.1
Imports							
Advanced Economies	-0.7	2.1	2.4	-0.3	-0.3	0.1	-0.4
Emerging Market and Developing Economies	3.0	4.6	4.9	0.4	0.1	-0.3	0.8
Exports							
Advanced Economies	1.0	2.5	2.7	-0.1	-0.2	0.0	-0.2
Emerging Market and Developing Economies	0.6	4.6	4.6	0.4	0.5	0.9	0.7
Commodity Prices (US dollars)							
Oil ⁵	-16.4	0.9	-10.4	0.1	-4.4	3.4	-4.1
Nonfuel (average based on world commodity import weights)	-5.7	2.9	-0.2	-2.1	-1.8	2.8	0.2
World Consumer Prices⁶	6.7	5.8	4.3	-0.1	-0.1	-0.1	-0.2
Advanced Economies ⁷	4.6	2.6	2.0	-0.1	-0.1	0.0	-0.1
Emerging Market and Developing Economies ⁶	8.1	7.9	5.9	-0.1	0.0	-0.3	-0.2

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during July 30, 2024–August 27, 2024. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = *World Economic Outlook*.

¹ Difference based on rounded figures for the current, July 2024 WEO Update, and April 2024 WEO forecasts. Global and regional growth figures are based on new purchasing-power-parity weights derived from the recently released 2021 International Comparison Program survey (see Box A2) and are not comparable to the figures reported in the July 2024 WEO Update or the April 2024 WEO.

² Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

³ For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

⁴ Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

⁵ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$80.59 in 2023; the assumed price, based on futures markets, is \$81.29 in 2024 and \$72.84 in 2025.

⁶ Excludes Venezuela. See the country-specific note for Venezuela in the "Country Notes" section of the Statistical Appendix.

(Source: *World Economic Outlook October 2024*, as available on <https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024>)

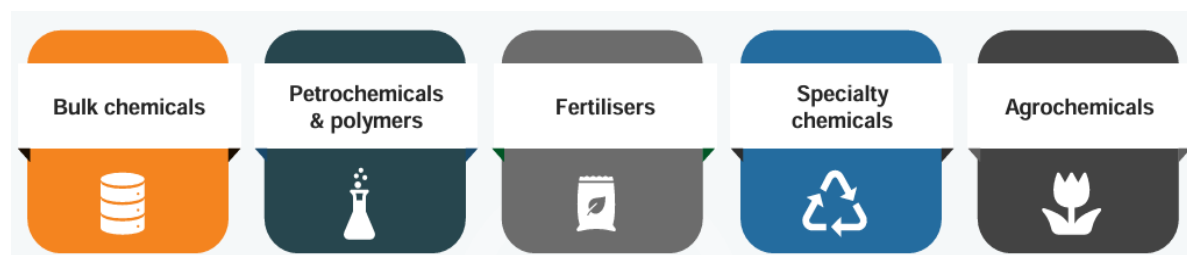
Chemical Industry in India

Globally, India is the third-largest consumer of polymers, fourth-largest producer of agrochemicals and sixth largest producer of chemicals. The Indian chemicals industry makes up 3.4% of the global chemicals industry. India's chemical sector which was estimated to be worth US\$ 220 billion in 2022, is now anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040. India has traditionally been a world leader in generics and biosimilars and major Indian vaccine manufacturers are contributing to more than 50% of the global vaccine supply. The Indian chemicals industry is highly diversified covering more than 80,000 products and employing more than 2 million people. The chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025. India is the world leader in dye manufacturing, accounting for 16%-18% of global dyestuff exports. The Indian Dye is exported to 90+ countries. From April 2023 to December 2023, India's dye exports (Dyes and Dye Intermediates) totaled US\$ 1.69 billion.

The Indian specialty chemicals sector is expected to increase at a CAGR of 12.4%, from US\$ 32 billion in 2019 to an estimated US\$ 64 billion by 2025.

(Source: *IBEF, Indian Chemicals Industry Analysis* as available on <https://www.ibef.org/industry/chemicals/presentation>)

Chemical Market Segments



1. **Bulk Chemicals:** These are groups of chemicals, which are manufactured on a large scale and further divided into organic, inorganic and alkali chemicals.
2. **Specialty Chemicals:** These are derivatives of basic chemicals that are manufactured for specific end-use solutions. The characteristics of these chemicals include highvalue, high R&D and low volume.
3. **Agro Chemicals:** These chemicals are used to protect crops against insects and pests and include fungicides, herbicides, and insecticides, among others. These chemicals can be applied in water irrigation, seeds, soils and crops.
4. **Petrochemicals and Polymers:** These chemicals are derivative of several chemical compounds such as hydrocarbons, which are derived from crude oil or natural gas
5. **Fertilizers:** These provide nutrients for plant growth; are divided into organic/inorganic and natural/synthetic. Further, these can be broadly classified into phosphate, potassium and nitrogenous.

(Source: *IBEF, Indian Chemicals Industry Analysis* as available on <https://www.ibef.org/industry/chemicals/presentation>)

Markets Size

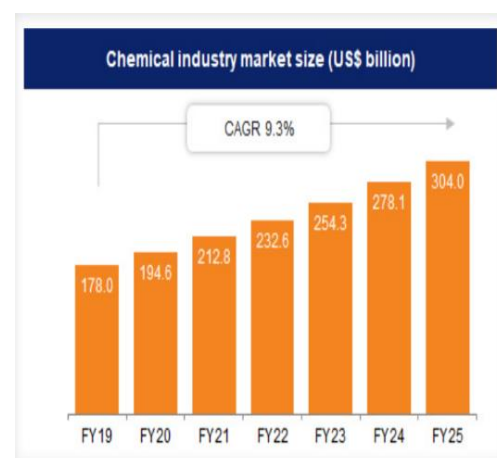
India's chemical sector is anticipated to grow to US\$ 300 billion by 2030 and US\$ 1 trillion by 2040. The demand for chemicals is expected to expand by 9% per annum by 2025.

An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. Specialty chemicals account for 20% of the global chemicals industry's US\$ 4 trillion, with India's market expected to increase at a CAGR of 12% to US\$ 64 billion by 2025. This gain would be driven by a healthy demand growth (CAGR of 10-20%) in the export/end-user industries.

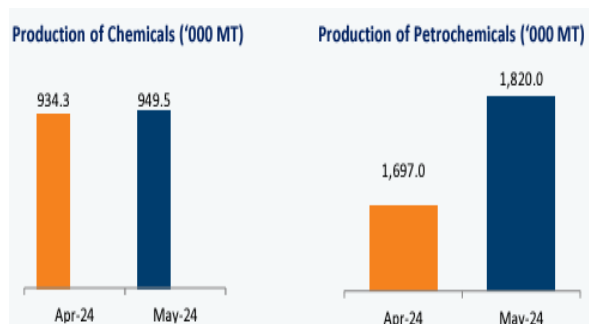
The Indian chemical industry is expected to further grow with a CAGR of 11-12% by 2027, increasing India's share in the global specialty chemicals market to 4% from 3%.

A shift in the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand was expected to fuel significant revenue growth of 18-20% in 2022 and 14-15% in 2023.

(Source: IBEF, Indian Chemicals Industry Analysis as available on <https://www.ibef.org/industry/chemicals/presentation>)



Production Capacity



Major chemical production reached 949.5 million metric tonnes (MMT) in May 2024, while petrochemical production reached 1,820.1 MMT.

In May 2024, production levels of various chemicals were as follows:

- Soda Ash: 250.47 MMT
- Caustic Soda: 301.11 MMT
- Liquid Chlorine: 212.08 MMT
- Formaldehyde: 28.04 MMT
- Pesticides and Insecticides: 25.07 MMT

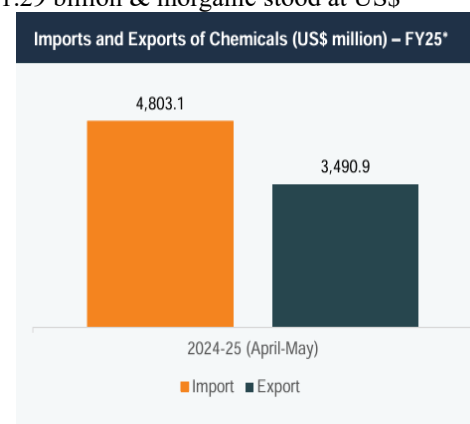
(Source: IBEF, Indian Chemicals Industry Analysis as available on <https://www.ibef.org/industry/chemicals/presentation>)

Imports and Exports

From April 2024 to May 2024, exports of organic chemicals stood at US\$ 1.29 billion & inorganic stood at US\$ 358.68 million whereas, imports of organic chemicals and inorganic chemicals were US\$ 2.69 billion and US\$ 1.09 billion respectively.

From April 2024 to May 2024, exports of castor oil, essential oil, and cosmetics and toiletries stood at US\$ 765.5 million whereas, imports of castor oil, essential oil, and cosmetics and toiletries were US\$ 388.64 billion during April-May for FY2024-25*.

From April-May 2024, the export of agrochemicals was US\$ 661.18 million, dyes were US\$ 379.61 million and the other dye intermediates were US\$ 27.87 million whereas, imports of agrochemicals was US\$ 367.70 million, dyes were US\$ 56.09 million and the other dye intermediates were US\$ 199.88 million. Around 50% of the agrochemicals are exported from India to the world.



India is top producer and exporter of castor oil, with 85-90% of total global exports in the world.

(Source: IBEF, Indian Chemicals Industry Analysis as available on <https://www.ibef.org/industry/chemicals/presentation>)

Government Initiatives

 Make in India	Production-Linked Incentive (PLI) scheme	 100% FDI	<p>Under the Interim Budget 2024-25, the Government allocated Rs. 192.21 crore (US\$ 23.13 million) to the Department of Chemicals and Petrochemicals.</p> <p>100% FDI is allowed in the chemical sector under automatic route with exception to few hazardous chemicals.</p>
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The Government is also considering launching a production-linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.

Industrial licensing is approved in most sectors, except for few hazardous chemicals. The Indian Government supports the industry in research & development, reduced the basic customs duty on several products and offers support through the ‘Make in India’ campaign

(Source: IBEF, Indian Chemicals Industry Analysis as available on <https://www.ibef.org/industry/chemicals/presentation>)

Indian Specialty Chemicals Market

Specialty chemical companies in India have started accelerating their capex plan on the back of strong growth visibility and emerging opportunities. Due to growing environmental concerns, many chemical companies in China ceased activities in 2018; this led to an increase in manufacturing of specialty chemicals in the Indian market to ensure uninterrupted supply.

The Indian chemical industry is expected to further grow with a CAGR of 11-12% by 2027, increasing India’s share in the global specialty chemicals market to 4% from 3%.

As per a report of EY, the industry is currently estimated to be worth US\$ 220 billion, with growth of almost 9% per year between 2020 and 2025 to reach US\$ 300 billion by the fiscal year 2025. By FY 2040, the industry is predicted to reach US\$ 1 trillion in value.

Key growth drivers in the end-user industry for specialty chemicals include the following:

- 1) **Paints & coatings:** Increase in urbanisation, increase in middle-income households, high replacement demand and increase in per capita income
- 2) **Textile:** Increase in Indian export, increase in urbanisation and higher disposal income
- 3) **Construction:** Low expenditure on admixtures compared with China and the US
- 4) **Home care:** Increased consumption

Sub segments	User Industries
Paints & Coatings	Construction, Automotive
Special Polymers	Packaging Automotive
Construction Chemicals	Infrastructure, Real Estate
Paper Chemicals	Printing, Packaging
Textile Chemicals	Apparel, Technical Textile
Water Chemicals	Industrial Water, Municipal Water

Sub segments	User Industries
Cosmetic Chemical	Bath, Shower, Haircare
Flavours & Fragrances	Food Processing, Personal Care
Agro Chemicals	Agriculture, Exports
Home Care Surfactants	Laundry Care, Dishwashing
Colourants	Textile, Exports

(Source: IBEF, Indian Chemicals Industry Analysis as available on <https://www.ibef.org/industry/chemicals/presentation>)

Competition

Our Company operates in a competitive business, both in India and overseas. We try to remain competitive by seeking better understanding of the markets in which we operate and identify emerging opportunities. We believe that our consistent tracking of markets, developing new products and our consistent interaction with our customers is a key to our competitiveness and these factors inter alia enable us to anticipate the needs of our customers.

OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “**Forward-Looking Statements**” on page 21 of this LOF for a discussion of the risks and uncertainties related to those statements and also “**Risk Factors**”, “**Financial Statements**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 26, 111 and 237, respectively, of this LOF for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

In this section, unless the context otherwise requires, indicates or implies, references to “we”, “us”, “our” or to the “Group”, are to Camlin Fine Sciences Limited and its consolidated subsidiaries, while references to the “Company” or the “Issuer” are to Camlin Fine Sciences Limited on a standalone basis.

Unless otherwise stated, or unless the context requires otherwise, the financial information used in this section is derived from our Audited Consolidated Financial Statements. References to a “Fiscal” in this section are as of and for the relevant year ended March 31.

*Unless otherwise indicated, the industry and market data used in this section have been derived from the information contained in ‘**Industry Overview**’ beginning on page 83 of this LOF, which is in turn derived from publicly available sources. For more information, see “**Risk Factors- 41 We have not commissioned an industry report for the disclosures made in the section titled “Industry Overview, and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us. We have also used references to public sources off the internet in the section titled “Our Business” beginning on page 51 of this LOF and ‘Presentation of Financial and Other Information-Industry and Market Data’ beginning on page 20 of this LOF.***

Overview

We are a vertically integrated company, engaged in research, development, manufacturing, commercialising, and marketing of speciality chemicals and blends which are used in a wide array of food, feed, animal and pet nutrition, fragrance, pharma and industrial products. We market our products globally including in Europe, Asia Pacific (including India), Africa, Middle East, South, Central and North America. We categorise our business into four different verticals based on our product portfolio, namely: (i) Diphenols; (ii) Shelf-life Extension Solutions (which include antioxidants, its value-added blends, ingredients and additives); (iii) Performance Chemicals; (iv) Aroma ingredients. We have recently achieved a significant milestone in developing a high-quality specialised grade for Hydroquinone, leading us into the crucial phase of conducting plant trials. We have also successfully developed and implemented enhanced quality of antioxidants, tailored specifically for discerning customers. These products have smoothly transitioned from R&D to full-scale production and have made market debut. Our newest offerings include emulsifier-based ingredients designed to enhance texture, consistency, mouthfeel, appearance, process efficiency and yield for diverse range of food industry applications.

Our consolidated gross revenue from operations for Fiscal 2024 stood at ₹ 161,306.20 lakh as against ₹ 168,156.40 lakh in Fiscal 2023. Our consolidated operational EBITDA for Fiscal 2024 and 2023 was ₹ 11,338.19 lakh and ₹ 21,310.96 lakh, respectively. Our consolidated loss for the Fiscal 2024 stood at ₹ 10,487.51 lakh as against profit of ₹ 3,981.04 lakh in Fiscal 2023.

Our specialty chemicals are utilized in a broad array of applications, serving a diverse customer base across various industries. The following table provides detailed information about our portfolio, including products, their applications, and the industries they cater to:

Portfolio	Products	Application and Industries served
Diphenols	Hydroquinone and Catechol	Diphenols are key raw materials for chemicals used in industries such as petrochemicals, pharmaceuticals, flavours and fragrances, agrochemicals, dyes and pigments. Further, Hydroquinone by itself has application as polymerisation inhibitor in petrochemical industry.

Portfolio	Products	Application and Industries served
Shelf-life Extension Solutions	Antioxidants, its blends, ingredients and additives	Antioxidants and its blends are used to increase the shelf life of oils and fats, which in turn is used in processed food products like bakery, fried snack foods, confectionery, animal feed, pet food, biodiesel and printing inks. Our ingredients include emulsifiers and other products used in human food, animal feed, and pet food. Our additives are adsorbents, acidifying agents, energy products, bactericides, binders and mould inhibitors which are primarily used in animal feed and pet food.
Performance Chemicals	Guaiacol, Guethol, CME, Veratrole, TBC and MEHQ, which are derivatives of either Catechol or Hydroquinone	These chemicals have wide application in sectors such as food flavouring, pharmaceuticals intermediate, agrochemicals, dyes, pigments, energy storage and fragrance industry.
Aroma Ingredients	Guaiacol and Guethol which are from Catechol	Our Aroma vertical primarily includes production of Vanillin and Ethyl Vanillin (“ Vanillin Products ”) which are marketed under the brands ‘ <i>adorr</i> ’ Our Vanillin Products are used to give food and beverages a flavour of vanilla, to enhance other flavours or to mask unwanted flavours and are used in food, flavour and fragrance, incense sticks, pharma and cattle feed segments.

Our Manufacturing Facilities

The table below sets forth certain information regarding the products manufactured at our manufacturing facilities and their locations as on the date of this Letter of Offer:

Manufacturing facility	Location	Products Manufactured
Dahej SEZ Facility	Gujarat, India	Diphenols and Vanillin Products
Tarapur, Facility	Maharashtra, India	Antioxidants, its blends and additives, CME, Veratrole, TBC and MEHQ, which are derivatives of either Catechol or Hydroquinone
Italy Facility*	Ravenna, Italy	Diphenols and blends
Brazil Facility	Indaiatuba, Brazil	Antioxidants blends and additives
Mexico Facility	Mexico City, Mexico	Antioxidants blends and additives
China Facility*	Zhejiang, China	Vanillin
Belgium Facility	Sint-Niklaas, Belgium	Animal feed additives
Khopoli Facility	Maharashtra, India	Derivatives of either Catechol or Hydroquinone
AlgalR Facility	Tamil Nadu, India	Algal DHA biomass and oil
Third Party		
Iowa Facilities	Iowa, USA	Antioxidants blends
Mahad Facility	Maharashtra, India	Guaiacol Crude
Thrissur Facility	Kerala, India	Rosemary extracts

*Facilities are temporary closed

History

Our Company was incorporated on November 30, 1993, pursuant to certificate of incorporation issued by RoC, as a private limited company under the name of “Camlicon Consultants Private Limited”. The name of our Company was changed to “Camlin Fine Chemicals Private Limited” and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on June 1, 2006. The name of our Company was changed to “Camlin Fine Chemicals Limited” and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the RoC on August 11, 2006. In 2006, the “Fine Chemical

Division” of Kokuyo Camlin Limited (erstwhile Camlin Limited) was de-merged into Camlin Fine Chemicals Limited in terms of the scheme of arrangement sanctioned by the Bombay High Court pursuant to its order dated November 17, 2006. Pursuant to the aforesaid de-merger, our Company was listed on BSE in 2007. In 2011, our Company amalgamated with our erstwhile wholly owned subsidiary, Sangam Laboratories Limited pursuant to a scheme of amalgamation approved by the Bombay High Court by its order dated April 21, 2011. The name of our Company was changed to “Camlin Fine Sciences Limited” and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on August 27, 2011. In 2015, our Company got listed on NSE.

Some of the key milestones of our Company since then are as follows:

Calendar Year	Key Milestones
2007	Listed on BSE pursuant to de-merger of “Fine Chemical Division” of Kokuyo Camlin Limited (erstwhile Camlin Limited)
2011	Acquired CFS Europe and became an integrated manufacturer of Diphenols Launched a wide range of performance chemicals like MEHQ, TBC, Veratrole, Guaiacol, etc
2012	Launched aroma and flavoring compounds Vanillin/ Ethyl Vanillin
2014	Set up food application laboratories with fully supported technical team Commenced manufacturing and marketing of value added customized antioxidants blends in Tarapur Facility and Brazil Facility
2015	Forayed into antioxidants blends business in USA Got listed on NSE
2016	CFS Antioxidantes De Mexico S.A. de. C.V. acquired 65% stake in Dresen Mexico*
2017	Acquired 94.08% shareholding in Chemolutions Chemicals Acquired 51% shareholding in CFS China Entered into a preferred supply agreement with Lockheed Martin Advanced Energy Storage for manufacture and supply of a specialty chemicals
2018	Commenced construction of the Diphenols Plant at Dahej, Gujarat. Entered into a joint venture with Pahang Pharma Pte. Limited, Singapore to foray our presence in Animal Nutrition in ASEAN market
2021	Commencement of commercial production for manufacture of Hydroquinone and Catechol at Dahej SEZ Facility CFS Mexico acquired 33.5% in Dresen Mexico# Acquired 80% shareholding in AlgaIR NutraPharms
2023	Commenced commercial production of Vanillin Products at our Dahej SEZ Facility Mr. Ashish Dandekar entered into a voting and cooperation agreement dated April 17, 2023 with Infinity Group and Anfima NV to exercise joint control in the Target Company. An open offer was made under Regulations 3(1) and 4 of SEBI Takeover Regulations.
2024	Dresen Mexico acquired 100% stake in Vitafor Group.

* CFS Antioxidantes De Mexico S.A. de. C.V. was merged with Dresen Mexico w.e.f. January 31, 2019.

CFS Mexico acquired 33.5% shareholding in Dresen Mexico in 2021. The balance 1.5% shareholding in Dresin Mexico was extinguished on March 29, 2024. Pursuant to the said extinguishment, our Company' shareholding and CFS Mexico shareholding in Dresen Mexico increased to 66% and 34% respectively.

Our Recent Acquisitions

Dresen Mexico has acquired 100% stake in Vitafor Group on June 11, 2024. Vitafor Group manufactures and trades in products catering to the animal feed industry.

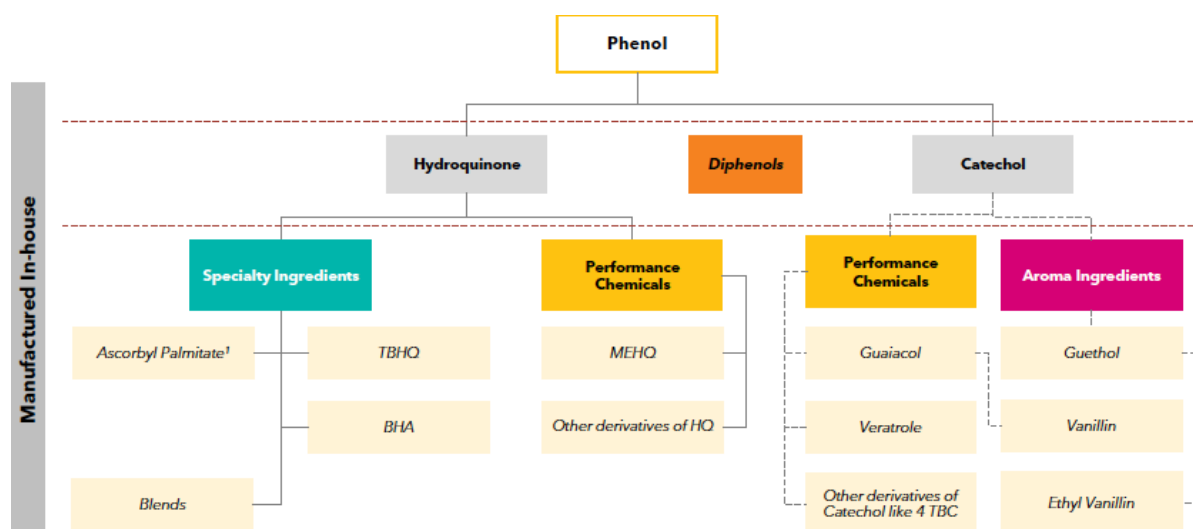
Our Group

We conduct our business through our group, which includes our Subsidiaries. Except Chemolutions Chemicals and AlgaR Nutrapharms, all our Subsidiaries are incorporated in foreign jurisdictions. Below is a tabular representation of our group:

Sr. No.	Name of the subsidiary/ associate companies/ joint ventures	Whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Holding Company
1.	CFS Europe	Wholly-owned subsidiary	100	Camlin Fine Sciences Limited
2.	CFS Brazil	Wholly-owned subsidiary	100	
3.	CFS Canada	Wholly-owned subsidiary	100	
4.	CFS North America	Wholly-owned subsidiary	100	
5.	CFS Mexico	Wholly-owned subsidiary	100	
6.	Chemolutions Chemicals	Subsidiary	94.08	
7.	AlgalR Nutraceuticals	Subsidiary	80	
8.	CFS Pahang Asia Pte Ltd.	Subsidiary	51	
9.	CFS PP (M) SDN. BHD.	Subsidiary	51	
10.	Dresen Mexico	Subsidiary	100	Camlin Fine Sciences Limited (66%) and CFS Mexico (34%)
11.	Industrias Petrotec de Mexico, S.A. de C.V.	Step-down Subsidiary	100	Dresen Mexico
12.	Inovel, S.A.S	Step-down Subsidiary	100	
13.	Nuvel, S.A.C	Step-down Subsidiary	100	
14.	Britec, S.A.	Step-down Subsidiary	100	
15.	Grinel, S.R.L.	Step-down Subsidiary	100	
16.	Vitafor Belgium	Step-down Subsidiary	100	
17.	Vitafor NV	Step-down Subsidiary	100	Vitafor Belgium
18.	Addi-Tech NV	Step-down Subsidiary	100	
19.	Vitafor China Limited	Step-down Subsidiary	100	
20.	Europe Bio Engineering BV	Step-down Subsidiary	100	
21.	Vial SARL	Associate	45	Vitafor NV
22.	CFS Argentina	Step-down Subsidiary	100	CFS Brazil
23.	CFS Chile	Step-down Subsidiary	100	CFS Brazil (99.85%) and CFS Europe (0.15%)
24.	CFS China	Step-down Subsidiary	51	CFS Europe (43.35%) and Camlin Fine Sciences Limited (7.65%)

Our Business Verticals

We categorise our business into four different verticals based on our product portfolio, namely: (i) Diphenols; (ii) Shelf-life Extension Solutions; (iii) Performance Chemicals, and (iv) Aroma Ingredients. Below is a graphical representation of value chain of our key products:



¹Ascorbyl Palmitate is not a part of HQ / Catechol value chain and is manufactured from ascorbic acid.

Diphenols

Our Diphenols business includes manufacturing of Hydroquinone and Catechol, key raw materials for manufacturing of our various products in different business segment. While we use a large part of the Diphenols we produce for captive consumption, we also sell Diphenols to external customers. Diphenols are key raw materials for chemicals used in industries such as petrochemicals, pharmaceuticals, flavours and fragrances, agrochemicals, dyes and pigments. Further, Hydroquinone by itself has application as polymerisation inhibitor in petrochemical industry.

Manufacturing

Our Italy Facility* and Dahej SEZ Facility provides captive requirements of key raw materials Hydroquinone and Catechol.

Markets

We primarily market our Diphenols in Europe and Asia.

Customers

Our customers include large multi-national companies, regional companies and local manufactures of speciality chemicals, pharmaceuticals, agro-chemicals, aroma chemicals and petrochemicals.

* Facility is temporary closed

Shelf-life Extension Solutions

Our Shelf-life Extension solutions include a range of antioxidants, its blends and additives. Our Shelf-life Extension solutions are used to delay certain types of cell damage, by stopping the chain reaction of oxidation, thereby extending shelf life of various products. Our Shelf-life Extension solutions primarily include antioxidants chemicals and antioxidant blends, which could be sourced from natural or synthetic substances, and are available both in liquid and dry solutions.

Our Shelf-life Extension solutions consists of traditional antioxidant solutions, which we brand and market as “Xtendra” and also natural shelf-life extension solutions, which we brand and market as “Nasure”. Traditional antioxidant solutions are primarily sourced from Diphenols, while natural shelf-life extension solutions are sourced from rosemary extracts, green tea and mixed tocopherols. Our additives are adsorbents, acidifying agents, energy products, bactericides, binders and mould inhibitors which are primarily used in animal feed and pet food.

Feed additives play an important role in animal nutrition as it helps in enhancing animal performance and health, ensures feed safety, optimizes feed conversion and improves profitability of customer's business. Some of the common feed additives used are mycotoxin binders, mold inhibitors, antibacterials, antioxidant blends, glucose precursors in ruminants etc. Below is a tabular representation of our Shelf-life Extension Solutions portfolio:

Products	Application
BHA	Food and feed antioxidant to extend shelf life of products. It is used amongst other applications in oils, fats, butter, pet food and margarine
TBHQ	Food antioxidant to extend shelf life of products. It is used amongst other applications in oils, fats, butter and margarine. Also, technical applications like printing inks and paints
Ascorbyl Palmitate	Antioxidant in for sensitive products like baby food, instant milk formula, premium bakery, fats and speciality oils
Value Added Blends	Food, feed, pet food and biodiesel antioxidants to extend shelf life of products
Additives	Food, feed, pet food industry

Manufacturing

We are one of the leading manufacturers of food grade antioxidants TBHQ, BHA and Ascorbyl Palmitate, which are manufactured at our Tarapur Facility. The basic raw material required for manufacturing TBHQ and BHA is Hydroquinone, which is primarily sourced from our Dahej SEZ Facility.

We develop and offer products to our existing and new customers based on customer requirements. We blend antioxidants and additives to meet customer needs. We consider customer requirements to be an important manufacturing factor. We rely on our R&D unit to customise products as per customer needs. Further, our blending and additives business is conducted in our (i) Tarapur Facility; (ii) Brazil Facility; (iii) Mexico Facility; and (iv) Belgium Facility. We also have a contractual arrangement in USA with a third party to outsource the manufacturing of our antioxidant's blends and additives products in the Iowa Facilities on need basis.

Markets

We primarily market our Shelf-life Extension Solutions products in North America, Central America, South America, Europe, Asia Pacific (including India) and Middle East. The global antioxidants market was valued at USD 4.09 billion in 2024 and is expected to reach USD 7.90 billion by 2034, growing at a CAGR of 6.80% (Source: Precedence Research)

Customers

Our customer includes large multi-national companies, regional companies and local manufactures of anti-oxidant formulators and blending companies, food processing and oil and fat producing companies, pet food, feed and animal nutrition segments

Performance Chemicals

Our Performance Chemicals products are speciality chemicals, which are derivatives of either Catechol or Hydroquinone and have wide applications in sectors such as food flavouring, pharmaceuticals intermediate, petrochemicals, agrochemicals, dyes, pigments, energy storage and fragrance industry. Below is a tabular representation of few products from our Performance Chemicals product portfolio:

Products	Application
Guaiacol	Intermediate for flavours and fragrances and pharma products
Veratrole	Building blocks for other compounds in agrochemicals, consumer goods and healthcare
TBC	Stabilization of monomers
PDMB	Intermediate for dyes and colours
CME	Intermediate for dyes, pigment and colours
MEHQ	Stabilization of monomers

Products	Application
TBHQ	Enhance processing and end-use performance of petroleum products
HQEE	Used in synthetic polymer
ODEB	Building blocks for other compounds in agrochemicals

We market our Performance Chemicals under brand name ‘*Dinamic*’.

Manufacturing

Our Performance Chemicals products are manufactured in our Tarapur Facility and Khopoli Facility. These chemicals are also manufactured in the Mahad Facility on a contractual basis. Performance chemicals products are generally derivatives of either Catechol or Hydroquinone, which are primarily sourced from our Dahej SEZ Facility.

Markets

We primarily market performance chemicals in Europe, Asia, South America and Middle East.

Customers

Our customers include large multi-national companies, regional companies and local manufactures, operating primarily in petrochemical, energy storage, agrochemical, dyes and pigments, pharmaceutical, energy storage, aroma and fragrance segment.

Aroma Ingredients

Our Aroma ingredients business involves production of Vanillin Products. Our brand ‘adorr’ has grown its customer base not only from food and flavour industry, but also manufacturers of fragrances, incense sticks, pharmaceutical industries and perfumeries. We have expanded our bouquet of fragrance application products to cater to the growing needs of our customers. The Vanillin Products manufactured in our Dahej SEZ Facility are commercialised and sold under our brand name ‘adorr’.

Manufacturing

Our Vanillin Products are currently manufactured in our Dahej SEZ Facility. The basic raw material required for manufacturing of the Vanillin Products is Guaiacol which is primarily sourced from the Mahad Facility on a contractual basis.

Markets

We primarily market Vanillin Products in Europe, Asia, South America, North America and Middle East. Globally the Vanillin market, on the whole, has been valued at USD 1.04 billion in 2024 and is expected to reach at USD 1.54 billion by 2029, growing at a CAGR of 8.17% during the forecast period (2024-2029).

(Source: Mordor Intelligence Report)

Customers

Our customers include large multi-national companies, regional companies and local manufactures, operating primarily in food and beverage, feed, pharmaceutical and flavours and fragrance segment.

Other Business

Our Company is also engaged in manufacturing and marketing of hardware and decorative accessories for door and window locks, handles etc. on behalf of Hardware Renaissance, USA, pursuant to a licensing agreement (the “**H&R Agreement**”). Under the H&R Agreement, our Company is authorised to manufacture and market hardware and decorative accessories for door and window locks, handles etc. under the brand name “Hardware Renaissance” and as a consideration, pay royalty to Hardware Renaissance, USA. We also make direct sales to Hardware Renaissance, USA. We outsource the manufacturing to third parties on job work basis.

Our Manufacturing Capacity

Our manufacturing facilities are either operated by our Company or our Subsidiaries. Below is a tabular representation of the capacity of our manufacturing facilities:

Manufacturing facilities	Location	Total Capacity (MT/year)
Tarapur Facility [^]	Maharashtra, India	7,200
Italy Facility for Diphenols ^{#*}	Ravenna, Italy	12,000
Italy Facility for blends ^{#*}	Ravenna, Italy	2,400
Brazil Facility [*]	Indaiatuba, Brazil	4,382
Mexico Facility [*]	Mexico City, Mexico	14,400
China Facility ^{#*}	Zhejiang, China	4,800
Belgium Facility [*]	Sint-Niklaas, Belgium	30,700
Dahej SEZ Facility for Diphenols [^]	Gujarat, India	15,000
Dahej SEZ Facility for Vanillin [^]	Gujarat, India	6,000
AlgalR Facility	Tamil Nadu, India	200

[^]As certified by Chartered engineer, M/s. SVS Associates vide certificate dated December 18, 2024

^{*}As certified by our Company on behalf of respective foreign subsidiaries vide certificates dated December 18, 2024

[#]Facilities are temporarily closed

Outsourced Manufacturing

We undertake certain manufacturing through contractual arrangement with third parties, whereby the manufacturing of our products is undertaken by such third parties. Under such aforesaid contractual arrangement for third party manufacturing, our Company typically provides the production plan, technical, engineering, quality assurance and control support including additional machinery and manpower, if need be. Raw materials for production are provided by our Company either through internal sources or third-party suppliers. We manufacture our various products and raw materials through third party manufacturing units, i.e., in Mahad Facility, Thrissur Facility and Iowa Facilities. All our outsourced manufactured products are marketed by us in our brand names.

Research and Development

We have R&D units in Tarapur, India and in Ravenna, Italy. We also have a pilot plant in Tarapur, India. Our R&D units are focused on developing chemical compounds, new manufacturing processes and improving existing processes and new chemistry with a focus on developing new derivatives of Diphenols or improve the commercial viability thereof. New processes which are developed in our R&D units are implemented in small scale in our pilot plant to understand the efficacy and challenges before commercially manufacturing such products.

Our Company also has Application Labs in Ravenna, Italy, Mumbai - India, Urbandale - USA, Mexico City - Mexico, Sint-Niklaas, Belgium and Indaiatuba - Brazil. Application Labs are primarily involved with customising blends for various applications across our Shelf-life Extension Solutions. Application Labs also provide technical assistance and development support to our customers, test the efficacy of various products that are produced by our customers on defined parameters relevant to our products and conduct studies to determine the shelf life of various products.

Our R&D units have advanced technological equipment to develop, test and evaluate our products. We have a strong and dedicated team of 63 employees and 21 employees in our various R&D units and Application Laboratories, respectively.

Our focus on research and development has been instrumental in enabling the number of products we have introduced over the years, which we believe improves the performance of our business. Most of our products have been developed in-house by our R&D units. Our research and development abilities have led to grant of four patents. We have also applied for a process patent for generating a mixed multicomponent vapour for preparation of Monoalkyl Ethers of Diphenols in India.

Our R&D unit in Tarapur, has been recognised by the Government of India's Department of Scientific and Industrial Research as an in-house R&D unit.

Strengths

We believe that the following are our competitive strengths:

1) *Global outreach and diversified customer base*

We are present in various geographic locations and has served more than 1200+ customers till date.

We have manufacturing facilities and blending units in India, China, Brazil, Italy, Belgium and Mexico. Furthermore, we have a contractual arrangement in USA with a third party to outsource the manufacturing of our antioxidants blends and additives products. The presence of manufacturing units across geographies enables us to effectively market our products in our target markets situated at Europe, Asia Pacific (including India) North Africa, Middle East, South, Central and North America.

Our strategic manufacturing facilities are supplemented by a wide sales and marketing network, spread across the globe. We have our own sales and marketing team in various jurisdictions including India, China, Italy, Brazil, Peru, Columbia, Guatemala, Mexico, Cuba, Belgium and USA, headed by experienced professionals. Our established sales and marketing department has separate teams focusing on each of our business verticals. In certain jurisdictions such as Indonesia, Vietnam, Thailand, Middle East and in certain parts of India, we market and sell our products through third parties, with whom we have sales and distribution arrangements. We have team of 132 employees in our sales and marketing team across the globe.

We believe that our global outreach and wide customer base sets us apart from other players and enables us to compete effectively with global players in our industry.

2) *Strong R&D capabilities and multiple Application Laboratories*

We believe in innovation and our Company has a focused R&D unit. Our R&D leads to benefits such as product development, product improvement, cost reduction, developing new technologies and innovations that help improve the commercial viability of various products in our segments. Our R&D units are focused at developing chemical compounds, new processes, improvement of existing processes and new chemistry with a special focus on developing commercially viable derivatives of Diphenols and additives. Our R&D capabilities have been instrumental in developing our products. We have R&D units at the Tarapur Facility and Italy Facility. We also have a pilot plant in Tarapur. New processes which are developed in our R&D units are implemented in small scale in our pilot plant to understand the efficacy and challenges before commercially manufacturing such products.

Our R&D units have advanced technological equipment to develop, test and evaluate our products. Most of our products have been developed in-house by our R&D units. Our focus on research and development has been instrumental in enabling the number of products we have introduced over the years, which we believe improves the performance of our business. Further, our R&D units are continuously working to create value added products from wastes and by-products of our primary products. Application Labs are primarily involved with customising value-added blends for various applications across our Shelf-life Extension Solutions. We have a strong and dedicated research team of 84 employees in our various R&D units and Application Labs.

We believe that with our strong research, development and creative capabilities, we will be able to further expand our product offerings and improve our product quality. We further believe that with our continuous focus on process improvements we will be able to achieve improved efficiencies in our production process. We believe that our focus on innovation facilitates the growth of our customer base as well as our customers' market share in their respective product categories.

3) *Integration across value chain*

We are a vertically integrated company. Diphenols are the key raw materials for all our business segments. Our Dahej SEZ Facility provides captive requirements of key raw materials Hydroquinone and Catechol, making most of our business segments vertically integrated. Our Company also manufactures Hydroquinone and Catechol in Italy facility, which is currently shutdown on account of continuing difficult macro-economic situation in Europe coupled with low pricing and weak demand across the industry.

It is our endeavour to develop new value-added products, especially new derivatives of Diphenols, identify new applications, and look for opportunities to vertically integrate them. Consistent and steady availability of key raw materials at reasonable cost leads to efficiency and effectiveness in terms of both resources and operations. Our vertical integration model of business helps us reduce cost and thereby increase profit margin and timely delivery of raw materials of desired quality and quantity. It further protects us from relying on external sources for our raw materials, thereby reducing risk of unfavourable terms of supply such as high pricing and long delivery time.

With the strategic forward integration into anti-oxidant value added blends (including human food, animal feed, pet food and biodiesel) and additives and Vanillin in the recent years, our Company now has a presence across the value chain of Shelf-life Extension Solutions (Hydroquinone to anti-oxidants to value added blends and additives) and Aroma businesses (Catechol to Guaiacol to Vanillin). Forward integration shall help us in widening our customer base and enter different market segments, efficient supply chain coordination and reduction in cost of supply and distribution.

4) *Experienced promoters and management team*

We are led by a dedicated senior management team with several years of industry experience. Our Promoters have played a key role in developing our business and we benefit from their significant experience in the industry we operate in. We also have a qualified senior management team with experience in the domestic and international shelf-life extension, performance chemical and aroma industry. Our Promoters and senior management team have been instrumental in our successful implementation of various process improvements, successful integration of our acquisition in Ravenna, Mexico, China, India and Belgium, expansion of our geographical reach and the growth in our operations over the last decade.

We believe that our domain knowledge and experience of our Promoters and our management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new geographies. We believe our senior management team is able to leverage our market position and their collective experience and knowledge in the speciality chemicals industry, to execute our business strategies and drive our future growth. In addition, we have an experienced and qualified team of employees. Our personnel policies are also aimed towards recruiting qualified and talented individuals, facilitating their integration into our Company, providing a conducive work environment, and promoting the development of their skills, including through in-house and external training programmes.

Our Strategies

Our key strategies are as follows:

1) *Continue to grow our Vanillin business*

Our Aroma Ingredients business primarily focuses on Vanillin Products, marketed under the brand name "adorr" The portfolio has many applications in four major industries - food & beverage, flavour & fragrance, agrochemicals and pharmaceuticals.

The basic raw material for our Vanillin Products is Guaiacol which is produced from the raw material Catechol. Certain publicly available information state that there have been health hazards and regulatory

scrutiny of Vanillin Products from certain raw materials other than Catechol. This has resulted in higher demand for Vanillin Products derived from Catechol. Since we manufacture Catechol at our own manufacturing facilities, this provides us with a significant competitive advantage to streamline supply chain and control the production of our Vanillin Products.

In January 2023, our Company initiated the commercial production of Vanillin Products in Dahej SEZ Facility. Our goal is to deliver high-quality Vanillin Products range for the market and gain a distinct position for ourselves in the home turf as well as globally.

2) *Shift in focus from antioxidant solutions to Speciality Ingredients (antioxidant blends and additives)*

As the food, feed and pet food industry evolves, there is a strong demand for antioxidant value added blends and additives which help increase the shelf life of these products. We are leveraging our capabilities of manufacturing bulk antioxidants by blending these antioxidants with other products to provide customised solutions to increase the shelf life of oils and fats, which in turn are used in processed food products like bakery, animal feed, pet food, confectionery, fried snack foods and dairy. Further, due to our vertically integrated manufacturing processes, our customers will be able to trace our blends from raw material stage to the finished product stage, which is a very critical aspect to ensure food safety.

Our strength in the antioxidant market sustained by our ability to fully integrate is our manufacturing in traditional as well as naturals space, allowing us to provide customized solutions that meet our customers' specific needs globally. We are also currently developing natural shelf-life extension products, some of which are already commercialised and sold under our brand 'NaSure'.

Our specialty ingredients business witnessed significant growth, particularly through blends tailored for the food, pet food, and animal nutrition sectors, catering to both human and animal consumption. We aim to sustain the momentum in animal nutrition division through four strategic pillars: (i) entering the fish meal segment with comprehensive solutions; (ii) implementing moisture optimization in feed with dedicated investments; (iii) rolling out a key portfolio; and (iv) creating focused segments within each species.

For biodiesel industry, we expanded our portfolio by introducing new products under the "Ezential" brand, including anti-crystallizers and CFPP reducers.

A shift in focus from just producing antioxidant solutions to providing value added products as well such as antioxidant blends and additives will enable us to increase our revenues from our shelf-life extension solutions business vertical.

3) *Revenue contribution from Performance Chemicals business*

The Performance Chemicals business vertical is focused on the production of phenolic chemicals such as Hydroquinone, Catechol, and their derivatives, which are essential for various industrial applications. As a full vertically integrated manufacturer, we possess the operational flexibility to adjust both production and market strategies dynamically, aligning with evolving industry demands and opportunities in growing segments.

We also intend to better leverage our distribution hubs and maintain stocks locally for supply in key markets such as Asia Pacific (including India) and South America to increase our customer base and reduce our transportation cost and time. We continuously strive to introduce new products in our Performance Chemical business vertical through our in-house research and development activities.

In addition to our specific strategies for increasing sales from our key performance chemical products, we have also started supplying Hydroquinone, pure grade to major acrylic acid producers.

Looking ahead, the agrichemical market is anticipated to revive, which will boost demand for our agrochemical intermediaries. This anticipated recovery presents an opportunity for our division to capitalize on emerging market needs and strengthens our position in the global chemical industry.

4) *Growth in Health & Wellness business*

Our Company took systematic measures to improve production processes that resulted in superior yield of algal DHA oil. The improved manufacturing processes also aided the launch of higher grades of the products to provide a differentiated offering to the existing ones available in the market. The on-going crisis of availability of crude fish oil has increased demand for algal DHA biomass in the feed industry. Our proactive identification of the looming industry crisis helped us consolidate biomass production which now caters to established players in pet food and aqua feed segments. We are strategically well positioned for both geographic expansion and market penetration and anticipate significant growth in the market share in the coming years.

We provide Biosus™ DHA, a vegan, clean, and fully traceable solution at a responsible price. Leveraging the integrated value chain and technical expertise of AlgalR, we have introduced a sustainable form of DHA using an indigenous process.

Our Company through its continuous R&D activities is at advanced stages of commercialising certain other derivatives of Diphenols, which will enable us to increase revenue from Performance Chemicals business vertical.

Quality Control and Testing

We believe that maintaining high standard of quality of our products is critical to our brand and continued growth. Across our various 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.

We implement and maintain best 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 thorough 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. Each batch of the manufactured products is dispatched to our quality control and testing laboratories where they go through different levels of testing to test the physical properties, purity and quality of the end products to ensure traceability and repeatability for each batch. We employ trained and experienced members 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 an independent, fully equipped quality laboratory where the manufactured products are tested with respect to their application. All of our manufacturing facilities also have waste management and environment protection systems designed to comply with laws on environmental pollution.

Our Company has achieved various manufacturing certifications such as ISO 9001:2008, FAMIQS, Kosher, Food Safety System Certification 22000 and Halal.

Environment, Health and Safety

Manufacturing is subject to a number of national and regional laws and regulations. These include in particular, regulations on technical safety and environment protection, including, among others, restriction of air pollution and noise, discharge of waste products into water above and below the ground and other occupational health and safety regulations. Further, our offices and manufacturing plants in India are required to comply with several laws governing every aspect of our operations, including compliance with building regulations, consumer protection, occupational health, safety and protection of labourers and food safety and standards.

Sales and Marketing

We primarily market our products through our own sales team. Our established sales and marketing department has separate teams focusing on each of our business verticals. We have a wide sales and marketing network, spread across the globe. We have our own sales and marketing team in various jurisdictions including India, China, Italy, Brazil, Peru, Columbia, Guatemala, Mexico, Cuba, Belgium and USA, headed by experienced professionals. Our established sales and marketing department has separate teams focusing on each of our business verticals.

In certain jurisdictions such as Indonesia, Vietnam, Thailand, Middle East and in certain parts of India, where we do not have our own sales team, we typically enter into distribution arrangements with our business partners in such jurisdictions to market and distribute our products. We have a team of 132 employees in our sales and marketing team across the globe.

Infrastructure

Registered Office

Our offices and manufacturing facilities are well equipped with computer systems, laptops, internet connectivity, communication equipment, security and other facilities such as fire safety and anti-theft alarm which are necessary for our business operations

Power

Our Dahej SEZ Facility and our Tarapur Facility source their power from Torrent Power and Maharashtra State Electricity Distribution Co. Ltd, respectively.

Details of Power at our facility premises

Location	Sanctioned Load (KW)	Connected Load (KW)
Dahej SEZ Facility	3500.00	3500.00
Tarapur Facility	1456.00	2657.00

Water facilities

Our registered office and our manufacturing facilities have adequate water supply arrangements for human consumption purposes. For our registered office, we source the water from Brihanmumbai Municipal Corporation. For our Dahej SEZ Facility we source the water from GIDC and for our Tarapur Facility, we source it from MIDC.

Water Connection

Location	Meter Size	Consumer Type
Dahej SEZ Facility	200 mm	Industrial
Tarapur Facility	50 mm	Industrial

Human Resource

We place importance on developing our human resources. Through internal trainings and workshops, our human resources team tracks the progress of our employees through systematic individual development plans. As of December 10, 2024, we employed a total of 627 individuals, for our Company; we also employ labourers on contracts through third parties, primarily at our manufacturing facilities. The breakdown of our employees in different facilities has been provided below:

Function	Number of Employees
Manufacturing	403
Sales and Marketing	58

Function	Number of Employees
Research and Development	49
Quality Control	67
Finance, Human Resources and Operations	41
Legal and secretarial	3
Application Labs	6
Total	619

Competition

Our competitors include speciality chemical companies in India and abroad.

We believe that the key competitive factors that will affect the development and commercial success of our current products and any future products that we may develop are price, reliability of supply and quality.

Information Technology

Our information technology systems provide support to all aspects of our business, from manufacturing, sales, planning, operations and documentation to accounts and customer service. Our information technology team does regular inspection and audits of all our network systems and servers to prevent them from external threats. Our Company believes that its advanced information technology systems not only enhance the Company's operational efficiency and customer service quality, but also reduce operating costs of the Company, enable the Company to respond to the market promptly and enhance its ability to handle emergency situations, making it more competitive in the market.

We have the following Information Technology software and application as mentioned below:

SAP ECC 6.0 EHP 7:

SAP was implemented in our Company to cover functions like procurement, inventory management, sales & distribution, finance & controlling. SAP is used in all factory locations & head office, and it is hosted on our Company on-prem data centre along with DR at private cloud data centre. Support & services are maintained by internal IT team with SAP AMS Support partner for major business requirement.

Spine Application:

Spine application is used by our employees for attendance, payroll & tax-investment purpose. All our Company locations have bio-matric attendance system which is integrated with Spine for payroll. All type of leave applications is managed through ESS (employee Self Service) & MSS (Management Self-service) workflow based on organization structure. The application is accessed through VPN Portal & secured mobile apps.

Insurance

We maintain insurance coverage that we consider necessary in respect of our business, operations, products and resources. We believe that our insurance coverage is in accordance with industry customs, including with respect to the terms of, and the coverage provided by, such insurance and is reasonably sufficient to cover all anticipated risks associated with our operations. However, there can be no assurance that the insurance availed by us would be adequate to cover all risks and losses. For further details, please refer to the section titled "**Risk Factors**" on page 26 of this LOF.

The details of our insurance policies are as follows:

No.	Type of Insurance	Sum Assured (₹ In Lakhs)	Premium (₹ In Lakhs)	Policy Tenure and Expiry Date	Name of the Insurer
1.	Business Guard - Commercial Policy Package (Small Business Solutions) - Retail	200.00	0.29	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.

No.	Type of Insurance	Sum Assured (₹ In Lakhs)	Premium (₹ In Lakhs)	Policy Tenure and Expiry Date	Name of the Insurer
2.	Commercial General Liability	8000.00	12.50	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
3.	Cyber Policy	1000.00	6.50	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
4.	Standard Fire And Special Perils	16500.00	27.25	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
5.	Standard Fire And Special Perils	16000.00	26.42	March 15, 2024, to March 14, 6.2025	Tata AIG General Insurance Co. Ltd.
6.	Burglary Insurance	16000.00	0.05	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
7.	Burglary Insurance	19500.00	0.05	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
8.	Business Guard - Bharat Laghu Udyam Suraksha	3356.00	1.04	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
9.	Group Mediclaim Policy	2964.00	205.00	April 01, 2024, to March 31, 2025	Tata AIG General Insurance Co. Ltd.
10	Gpa _ Named Basis	0.00	3.56	March 15, 2024, to March 14, 2025	The New India Assurance Co. Ltd.
11	Gpa _ Unnamed Basis	1750.00	0.48	March 15, 2024, to March 14, 2025	The New India Assurance Co. Ltd.
12	Industrial All Risk Insurance (All Location)	26706.00	100.80	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
13	Business Guard - Bharat Laghu Udyam Suraksha	707.00	0.43	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
14	Marine Open Policy	75600.00	16.11	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
15	Business Guard - Bharat Laghu Udyam Suraksha	1509.00	0.19	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
16	Public Liability Act	500.00	0.10	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
17	Business Guard - Bharat Laghu Udyam Suraksha	1593.00	0.31	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
18	Work Compensation Policy	6399.94	3.49	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
19	Business Guard - Commercial Policy Package (Small Business Solutions) - Retail	241.00	0.13	March 15, 2024, to March 14, 2025	Tata AIG General Insurance Co. Ltd.
20	Industrial All Risk Insurance (Dahej Plant)	57848.07	105.00	July 02, 2024, to July 01, 2025	Tata AIG General Insurance Co. Ltd.
21	Directors And Officers Insurance	4000.00	1.93	November 22, 2024, to November 21, 2025	Tata AIG General Insurance Co. Ltd.
22	Group Term Insurance	16840.00	28.92	March 15, 2024, to March 14, 2025	The Max Life Insurance

Intellectual Property

We have been granted three patents, each in India, Europe, and South Africa. We have also applied for a process patent for generating a mixed multicomponent vapour for preparation of Monoalkyl Ethers of Diphenols in India. Our Company has registered 125 trademarks, which includes registration of trademark of our logo, and applied for registration of 9 trademarks with the Registrar of Trademarks in India. Further, we have registered certain trademarks in jurisdictions such as China and USA.

Property

Our registered office is situated at Floor 2 to 5, Building in G.S. Point, Plot No. VIII Opp. University Campus, C.S.T. Road, Kalina Santacruz East, Mumbai 400098. We do not own our registered office premises.

We have entered into a leave and license agreement dated February 15, 2022 with M/s. Ambica Construction Co. for licensing of our registered office for a period till February 14, 2027.

Our Tarapur Facility and our Dahej SEZ Facility are on leasehold premises on long term basis.

The Mexico Facility, Belgium Facility and Brazil Facility are owned by the respective Subsidiaries in such jurisdiction on leasehold basis. Our facilities in Belgium and Italy are owned by respective Subsidiaries on freehold basis. The China Facility is on leasehold premises on long term basis.

For details, see “*Risk Factors - Our registered office, corporate office and some of our manufacturing facilities are not owned by our Company*” on page 33 of this LOF.

Corporate Social Responsibility

Our Company endeavors to make CSR a key business process for sustainable development and welfare of the needy sections of the society. Our Company engages in CSR activities in the areas of education including special education and employment enhancing vocation skills especially among children, women and differently abled, healthcare, sanitation and hygiene, promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward classes, sustainable livelihood and right social causes. In the Fiscal 2024, our Company spent ₹ 88.00 lakhs towards CSR activities, through various trusts and non-governmental organisations, such as Akhil Bharatiya Vanavasi Kalyan Ashram, Vanvasi Kalyan Ashram, Vivekananda Rock Memorial & Vivekananda Kendra, Institute of Chemical Technology and Kalyan Ashram. Our board has constituted a CSR committee which comprises of three members namely, Mahabaleshwar Palekar, Ashish Dandekar and Nirmal Momaya.

OUR MANAGEMENT

Board of Directors

The composition of the Board is governed and in conformity with the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI LODR Regulations and the Articles of Association. In accordance with the Articles of Association, unless otherwise determined by our Company in the general meeting, our Company shall not have less than three directors and not more than fifteen directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring director is eligible for re-election. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to being eligible for re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

As on the date of this Letter of Offer, our Company has 10 (Ten) Directors, comprising of 3 (Three) Executive Directors, 2 (Two) Non-Executive Directors and 5 (Five) Independent Directors, inclusive of 1 (One) woman Independent Director. The Chairman is an Executive Director.

The following table provides details regarding our Board as of the date of filing this Letter of Offer:

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
<p>Ashish Dandekar</p> <p><i>Address:</i> Flat no. 9, Concord Apartment, Bullock Road, Bandra (West), Mumbai 400050</p> <p><i>Designation:</i> Chairman and Managing Director</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> For a period of 3 years from August 1, 2024.</p> <p><i>Period of Directorship:</i> Since January 11, 2007</p> <p><i>DIN:</i> 01077379</p> <p><i>Date of Birth:</i> June 02, 1963</p>	61 years	<p><u>Indian Companies</u></p> <ol style="list-style-type: none"> 1. Camart Finance Limited 2. Vibha Agencies Private Limited 3. Focussed Event Management Private Limited 4. Abana Medisys Private Limited 5. MK Falcon Agrotech Private Limited <p><u>Foreign Companies</u></p> <ol style="list-style-type: none"> 1. CFS Europe S.P.S 2. Dresen Quimica SAPI De C.V. 3. Solentus North America Inc. 4. CFS Wanglong Flavours (Ningbo) Co., Ltd. 5. CFS De Mexico Blends SAPI De CV 6. CFS Pahang Asia Pte. Ltd.
<p>Nirmal Momaya</p> <p><i>Address:</i> 1501, Darvesh Royale, Perry Road, Opp Kotak Mahindra Bank, Bandra West, Mumbai 400050</p> <p><i>Designation:</i> Managing Director</p> <p><i>Occupation:</i> Business</p>	58 years	<p><u>Indian Companies</u></p> <ol style="list-style-type: none"> 1. TruCap Finance Limited 2. Abana Medisys Private Limited 3. MJ Medical Devices Private Limited 4. Smokin' Joe's Pizza Private Limited 5. Ashar Locker (India) Private Limited 6. Netopia E-Sports Private Limited 7. Twilit Corporation Private Limited 8. Momaya Investments Private Limited

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
<p><i>Term:</i> For a period of 3 years from June 01, 2024.</p> <p><i>Period of Directorship:</i> Since August 04, 2014</p> <p><i>DIN:</i> 01641934</p> <p><i>Date of Birth:</i> July 28, 1966</p>		<p>9. Shatrunjaya Traders Pvt. Ltd.</p> <p>10. Fine Renewable Energy Limited - Struck Off on 26/06/2024</p> <p><u>Foreign Companies</u></p> <p>1. CFS Wanglong Flavours (Ningbo) Co., Ltd.</p> <p>2. CFS PP (M) SDN. BHD.</p> <p>3. Dresen Quimica SAPI De C.V.</p> <p>4. CFS Europe S.P.A</p> <p>5. CFS Pahang Asia Pte. Ltd.</p>
<p>Anagha Dandekar Subhash</p> <p><i>Address:</i> 1885 Camino Mora, Los Alamos, New Mexico 87544, USA</p> <p><i>Designation:</i> Non-Executive Director</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Since August 28, 2017</p> <p><i>DIN:</i> 07897205</p> <p><i>Date of Birth:</i> June 20, 1966</p>	58 years	<p><u>Indian Companies</u></p> <p>NIL</p> <p><u>Foreign Companies</u></p> <p>1. DHC Corporation</p> <p>2. Hardware Renaissance</p>
<p>Arjun Sudhakar Dukane</p> <p><i>Address:</i> Hari Iccha, Ground Floor, 4/A, Parmanu Nagar, Behind Keshav Nagar, Boisar, Palghar, Thane, 401501</p> <p><i>Designation:</i> Executive Director - Technical</p> <p><i>Occupation:</i> Service</p> <p><i>Term:</i> For a period of 3 years from June 1, 2024.</p> <p><i>Period of Directorship:</i> Since June 01, 2018</p> <p><i>DIN:</i> 06820240</p> <p><i>Date of Birth:</i> June 01, 1966</p>	58 years	<p><u>Indian Companies</u></p> <p>1. Chemolotions Chemicals Limited</p> <p>2. Naiknavare Chemicals Limited</p> <p><u>Foreign Companies</u></p> <p>NIL</p>

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
<p>Amol Jashvant Shah</p> <p><i>Address:</i> 1101, Sankalp, 18 Walkeshwar Road, Malabar Hill, Mumbai 400006</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> For a period of 5 years from August 2, 2024.</p> <p><i>Period of Directorship:</i> Since August 2, 2019</p> <p><i>DIN:</i> 00171006</p> <p><i>Date of Birth:</i> November 10, 1965</p>	59 years	<p><u>Indian Companies</u></p> <ol style="list-style-type: none"> 1. Fine Aromatics and Herbal Extracts Private Limited 2. M J Exports Private Limited 3. Innova Life Sciences Private Limited 4. MJ Medical Devices Private Limited 5. Fine Aroma Specialities Private Limited 6. KAS Institute of Research Private Limited 7. Fine Fragrances Private Limited 8. MJ Biopharm Private Limited 9. MJ Institute of Research Private Limited 10. Eris M.J. Biopharm Private Limited <p><u>Foreign Companies</u></p> <p>NIL</p>
<p>Sutapa Banerjee</p> <p><i>Address:</i> 3003, A&B, 30th floor, Springs I, G. D. Ambekar Marg, Naigaon, Dadar East, Mumbai 400014</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> For a period of 5 years from February 7, 2020.</p> <p><i>Period of Directorship:</i> Since February 7, 2020</p> <p><i>DIN:</i> 02844650</p> <p><i>Date of Birth:</i> March 24, 1965</p>	59 years	<p><u>Indian Companies</u></p> <ol style="list-style-type: none"> 1. Godrej Properties Limited 2. Polycab India Limited 3. Zomato Limited 4. Ideaforge Technology Limited 5. JSW Cement Limited 6. Axis Capital Limited 7. Satsure Analytics India Private Limited <p><u>Foreign Companies</u></p> <p>NIL</p>
<p>Harsha Raghavan</p> <p><i>Address:</i> Flat No. 2, Shree Sadan, M.L Dahanukar Marg, RBI Governor Bungalow, Carmichael Road, Mumbai 400026</p> <p><i>Designation:</i> Non-Executive Director</p> <p><i>Occupation:</i> Business</p>	53 years	<p><u>Indian Companies</u></p> <ol style="list-style-type: none"> 1. Onward Technologies Limited 2. Just Udo Aviation Private Limited 3. Jagsonpal Pharmaceuticals Limited 4. Agilitas Sports Private Limited 5. Agro Tech Foods Limited 6. FLY91 Aircraft Leasing IFSC Pvt Ltd <p><u>Foreign Companies</u></p>

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
<p><i>Term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Since August 10, 2020</p> <p><i>DIN:</i> 01761512</p> <p><i>Date of Birth:</i> October 10, 1971</p>		NIL
<p>Joseph Conrad D'souza</p> <p><i>Address:</i> 502 Hasmukh Mansion, Plot no. 375, 14th Road, Khar, Mumbai 400052</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> For a period of 5 years from September 29, 2020.</p> <p><i>Period of Directorship:</i> Since September 29, 2020.</p> <p><i>DIN:</i> 00010576</p> <p><i>Date of Birth:</i> January 12, 1960</p>	64 Years	<p><u>Indian Companies</u></p> <ol style="list-style-type: none"> 1. Chalet Hotels Limited 2. Asianet Satellite Communications Limited 3. Juhu Beach Resorts Limited 4. Prism Johnson Limited 5. Bharat Bijlee Limited 6. Raheja QBE General Insurance Company Limited <p><u>Foreign Companies</u></p> <ol style="list-style-type: none"> 1. Nations Trust Bank PLC, Sri Lanka
<p>Pradip Kanakia</p> <p><i>Address:</i> B 901/1001, Salarpuria Silverwoods, Varthur Road, CV Raman Nagar, Bengaluru 560093</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> For a period of Five years October 18, 2021.</p> <p><i>Period of Directorship:</i> Since October 18, 2021</p> <p><i>DIN:</i> 00770347</p> <p><i>Date of Birth:</i> June 04, 1960</p>	64 years	<p><u>Indian Companies</u></p> <ol style="list-style-type: none"> 1. Symed Labs Limited 2. Healthcare Global Enterprises Limited 3. JM Financial Limited 4. Torrent Gas Limited 5. Britannia Industries LTD 6. ICRA Limited 7. ICRA Analytics Limited 8. Viyash Life Sciences Private Limited 9. Sona BLW Precision Forgings Limited <p><u>Foreign Companies</u></p> <p>NIL</p>
<p>Mahabaleshwar Palekar</p> <p><i>Address:</i> 4A/101 Kalpataru Estate, Jogeshwari-Vikhroli Link</p>	67 years	<p><u>Indian Companies</u></p> <ol style="list-style-type: none"> 1. Sustainable Technosolutions For Environmental Protection Private Limited

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Road, Andheri East, Mumbai - 400093		2. ICT-NICE Venture Incubator And Foundation
<i>Designation:</i> Independent Director		<u>Foreign Companies</u>
<i>Occupation:</i> Professional		NIL
<i>Term:</i> For a period of Five years from December 24, 2020		
<i>Period of Directorship:</i> Since December 24, 2020		
<i>DIN:</i> 02455892		
<i>Date of Birth:</i> October 14, 1957		

Confirmations

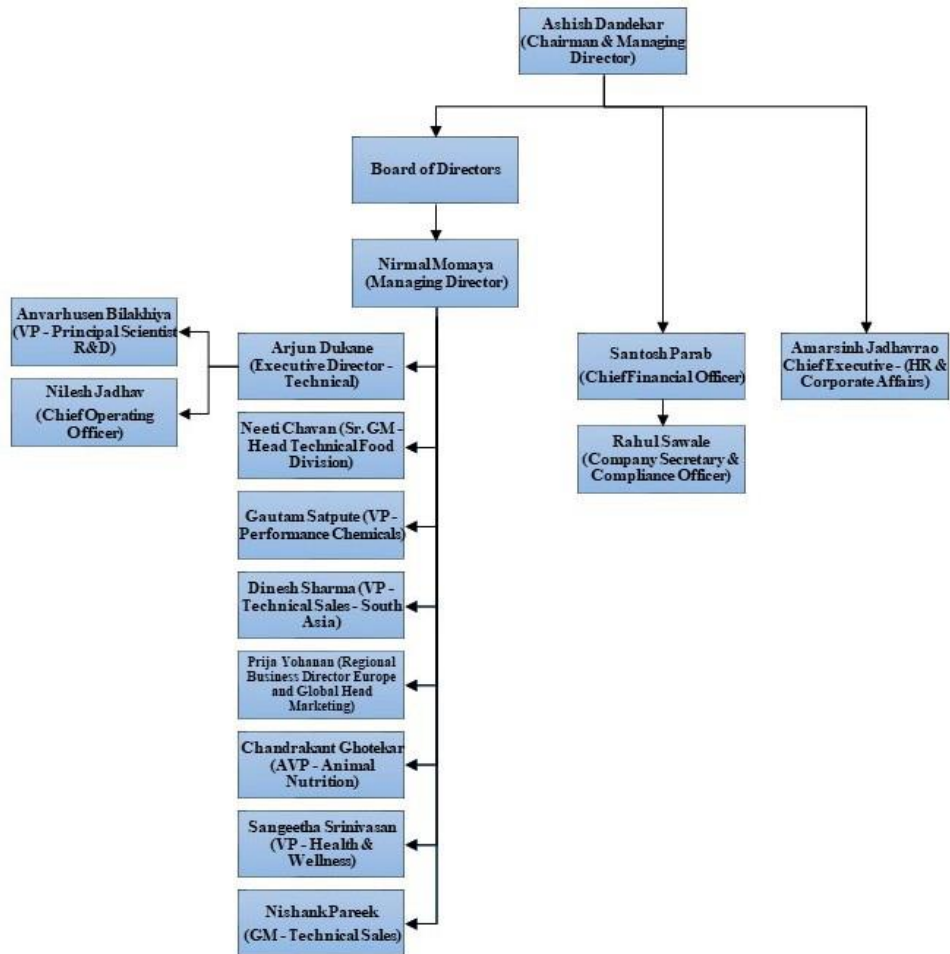
None of our Directors is or was a director of any listed company during the five years preceding the date of filing of this Letter of Offer, whose equity shares have been or were suspended from being traded on any stock exchange, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Letter of Offer with the Stock Exchanges.

Details of Key Managerial Personnel and Senior Management

Sr. No.	Particulars	Designation
Key Managerial Personnel		
1.	Ashish Dandekar	Chairman and Managing Director
2.	Nirmal Momaya	Managing Director
3.	Arjun Dukane	Executive Director - Technical
4.	Santosh Parab	Chief Financial Officer
5.	Rahul Sawale	Company Secretary & Compliance Officer
Senior Management (excluding Key Managerial Personnel)		
1.	Nilesh Jadhav	Chief Operating Officer
2.	Amarsinh Jadhavrao	Chief Executive (HR & Corporate Affairs)
3.	Neeti Chavan	Sr. GM - Head Technical Food Division
4.	Gautam Satpute	VP - Performance Chemicals
5.	Dinesh Sharma	VP - Technical Sales (South Asia)
6.	Prija Yohanan	Regional Business Director Europe and Global Head Marketing
7.	Chandrakant Ghotekar	AVP - Animal Nutrition
8.	Sangeetha Srinivasan	VP - Health & Wellness
9.	Nishank Pareek	GM - Technical Sales
10.	Anvarhusen Bilakhiya	VP - Principal Scientist R&D

Organizational Structure



SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page Number
1.	Limited Reviewed Financial Statements of our Company for the six months period ended September 30, 2024 along with Limited Review Report dated November 11, 2024	112
2.	Limited Reviewed Financial Statements of our Company for the six months period ended September 30, 2023 along with Limited Review Report dated November 06, 2023	123
3.	Audited Consolidated Financial Statements of our Company for the Financial Year ended March 31, 2024 (along with comparative financial statements of our Company for the Financial Year ended March 31, 2023) along with the audit report dated May 20, 2024	133

CAMLIN FINE SCIENCES LIMITED
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2024

(Rs.in Lakh, except per share data)

	PARTICULARS	STANDALONE						CONSOLIDATED					
		QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	22,691.18	18,191.22	20,621.41	40,882.40	36,732.57	77,326.21	42,297.15	39,585.33	40,587.94	81,882.48	82,548.20	161,306.20
2	Other income	308.13	178.01	563.42	486.14	1,120.47	1,888.26	1,209.69	186.76	176.09	369.20	812.84	1,555.64
3	Total income	22,999.31	18,369.23	21,184.83	41,368.54	37,853.04	79,214.47	43,506.84	39,772.09	40,764.03	82,251.68	83,361.04	162,861.84
4	Expenses												
	Cost of materials consumed	15,105.32	13,169.71	11,348.70	28,275.03	21,424.23	42,628.92	22,306.05	21,454.27	20,618.40	43,760.32	45,374.55	74,661.46
	Purchase of stock in trade	1,362.71	226.12	264.92	1,588.83	355.69	845.85	5,392.86	1,584.26	1,225.70	6,977.12	3,192.83	11,425.87
	Changes in inventories of finished goods/WIP/stock in trade	(3,405.54)	(3,196.39)	(831.29)	(6,601.93)	(4,675.92)	891.99	(5,791.54)	(1,235.01)	516.85	(7,026.55)	(4,628.39)	5,274.78
	Employee benefits expense	1,959.58	1,681.32	1,769.95	3,640.90	3,318.04	6,594.84	5,227.52	5,117.79	4,324.17	10,345.31	8,709.02	17,874.77
	Finance costs	1,791.76	1,361.73	1,510.20	3,153.49	2,714.89	5,432.60	2,642.13	2,337.43	1,977.79	4,979.56	2,999.79	6,030.49
	Depreciation and amortisation expense	1,343.64	1,269.32	1,240.93	2,612.96	2,420.64	4,939.00	2,069.14	2,011.15	1,920.08	4,080.29	3,798.11	7,860.61
	Other expenses	6,268.75	5,617.11	5,933.76	11,885.86	11,621.59	23,651.67	10,837.99	10,850.26	11,389.54	20,661.00	23,515.91	44,677.81
	Total Expenses	24,426.22	20,128.92	21,237.17	44,555.14	37,179.16	84,984.87	42,684.15	42,120.15	41,972.53	83,777.05	82,961.82	167,805.79
5	Profit/ (Loss) before exceptional items and share of profit/ (loss) of associate (3-4)	(1,426.91)	(1,759.69)	(52.34)	(3,186.60)	673.88	(5,770.40)	822.69	(2,348.06)	(1,208.50)	(1,525.37)	399.22	(4,943.95)
6	Exceptional items (Refer Note 7)	9,626.66	-	-	9,626.66	-	192.84	15,103.90	-	-	15,103.90	-	4,980.40
7	Profit/ (Loss) before share of profit/ (loss) of associate (5-6)	(11,053.57)	(1,759.69)	(52.34)	(12,813.26)	673.88	(5,963.24)	(14,281.21)	(2,348.06)	(1,208.50)	(16,629.27)	399.22	(9,924.35)
8	Share of profit/ (loss) of associate	-	-	-	-	-	-	50.50	-	-	50.50	-	-
9	Profit/ (Loss) before tax (7-8)	(11,053.57)	(1,759.69)	(52.34)	(12,813.26)	673.88	(5,963.24)	(14,230.71)	(2,348.06)	(1,208.50)	(16,578.77)	399.22	(9,924.35)
10	Tax Expenses												
	- Current tax (Refer Note 8)	544.25	(378.28)	19.61	165.97	195.93	-	1,641.48	739.88	785.91	2,381.36	1,187.47	2,487.23
	- Deferred tax	(4,335.66)	(13.40)	73.61	(4,349.06)	45.47	(824.32)	(4,261.41)	377.08	88.53	(3,884.33)	93.02	(1,924.07)
		(3,791.41)	(391.68)	93.22	(4,183.09)	241.40	(824.32)	(2,619.93)	1,116.96	874.44	(1,502.97)	1,280.49	563.16
11	Profit/ (Loss) for the period (9-10)	(7,262.16)	(1,368.01)	(145.56)	(8,630.17)	432.48	(5,138.92)	(11,610.78)	(3,465.02)	(2,082.94)	(15,075.80)	(881.27)	(10,487.51)
12	Other comprehensive income												
A	Items that will not be reclassified to profit or loss												
	(i) Remeasurements of defined benefit plans	(23.79)	(15.57)	(4.54)	(39.36)	(15.19)	(8.54)	(23.79)	(15.57)	(4.54)	(39.36)	(15.19)	(9.07)
	(ii) Income tax relating to Items that will not be reclassified to profit or loss	8.31	5.44	1.59	13.75	5.31	2.98	8.31	5.44	1.59	13.75	5.31	2.98
B	Items that will be reclassified to profit or loss												
	(i) Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	74.08	(650.17)	(143.42)	(576.09)	223.05	1,801.40
	(ii) The effective portion of gain or loss on hedging instruments in a cash flow hedge	(86.16)	100.58	(163.09)	14.42	48.88	1.70	(86.16)	100.58	(163.09)	14.42	48.88	1.70
	(iii) Income tax relating to Items that will be reclassified to profit or loss	30.11	(35.15)	61.86	(5.04)	(12.21)	(0.60)	30.11	(35.15)	61.86	(5.04)	(12.21)	(0.60)
	Other comprehensive income	(71.53)	55.30	(104.18)	(16.23)	26.79	(4.46)	2.55	(594.87)	(247.60)	(592.32)	249.84	1,796.41
13	Total comprehensive income for the period (11+12)	(7,333.69)	(1,312.71)	(249.74)	(8,646.40)	459.27	(5,143.38)	(11,608.23)	(4,059.89)	(2,330.54)	(15,668.12)	(631.43)	(8,691.10)
14	Profit/ (Loss) attributable to:												
	(i) Owners of the Company							(10,023.16)	(3,395.41)	(1,938.30)	(13,418.57)	(382.84)	(9,275.34)
	(ii) Non-controlling interests							(1,587.62)	(69.61)	(144.64)	(1,657.23)	(498.43)	(1,212.17)
15	Other comprehensive income attributable to:												
	(i) Owners of the Company							24.30	(645.93)	(251.22)	(621.63)	298.13	1,835.36
	(ii) Non-controlling interests							(21.75)	51.06	3.62	29.31	(48.29)	(38.95)
16	Total comprehensive income attributable to:												
	(i) Owners of the Company							(9,998.86)	(4,041.34)	(2,189.52)	(14,040.20)	(84.71)	(7,439.98)
	(ii) Non-controlling interests							(1,609.37)	(18.55)	(141.02)	(1,627.92)	(546.72)	(1,251.12)
17	Paid-up Equity Share Capital (Face Value Re.1/- per share)	1,674.95	1,674.95	1,674.55	1,674.95	1,674.55	1,674.65	1,674.95	1,674.95	1,674.55	1,674.95	1,674.55	1,674.65
18	Other Equity				61,297.34	75,493.68	69,896.75				67,301.82	92,628.44	84,800.43
19	Earnings per Share (EPS) (of Re.1/-each) (not annualised)												
	Basic (Rs.)	(4.34)	(0.82)	(0.09)	(5.15)	0.26	(3.09)	(5.98)	(2.03)	(1.17)	(8.01)	(0.23)	(5.58)
	Diluted (Rs.)	(4.29)	(0.81)	(0.09)	(5.10)	0.26	(3.05)	(5.93)	(2.01)	(1.16)	(7.94)	(0.23)	(5.50)

Notes to Unaudited Financial Results:

1 The above results which are published in accordance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 11, 2024. The financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India. The Statutory Auditors of the Company have carried out Limited Review of these financial results.

2 Other income / Other expense above includes net foreign exchange gain / (loss) for each reporting period as under:

Rs. In Lakh

Particulars	STANDALONE						CONSOLIDATED					
	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Exchange gain	181.16	15.83	434.60	196.99	390.38	541.51	1,044.06	-	-	16.81	-	-
Exchange loss	-	-	-	-	-	-	-	1,027.25	654.14	-	1,252.43	3,946.68
Total Exchange gain / (loss)	181.16	15.83	434.60	196.99	390.38	541.51	1,044.06	(1,027.25)	(654.14)	16.81	(1,252.43)	(3,946.68)

The exchange gain / (loss) shown above excludes exchange gain / (loss) on derivative contracts accounted as cash flow hedge.

3 Finance costs include foreign exchange gain / (loss) for each reporting period as under:

Rs. In Lakh

Particulars	STANDALONE						CONSOLIDATED					
	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Exchange gain	-	-	-	-	-	-	-	-	-	-	-	143.86
Exchange loss	113.44	20.04	263.46	133.48	125.89	168.78	524.66	636.94	472.42	1,161.60	-	-
Total Exchange gain / (loss)	(113.44)	(20.04)	(263.46)	(133.48)	(125.89)	(168.78)	(524.66)	(636.94)	(472.42)	(1,161.60)	143.86	419.58

4 During the quarter ended September 30, 2024, the Company has not allotted any shares under Employees Stock Option Scheme, 2018 (ESOP-2018) and Employees Stock Option Scheme, 2020 (ESOP-2020). 1400 employee stock options have lapsed under ESOP-2018 during the quarter ended September 30, 2024. No employee stock options have lapsed under ESOP-2020 during the quarter ended September 30, 2024.

5 The Board of Directors of the Company and the Shareholders at their respective meetings held on September 10, 2024 and October 18, 2024, approved the increase in Authorised Capital of the Company to Rs. 21,50,00,000/- (21,50,00,000 equity shares of Re. 1/- each) from Rs. 18,00,00,000/- (18,00,00,000 equity shares of Re. 1/- each).

6 On June 11, 2024, wholly owned subsidiary of the company, Dresen Quimica SAPI De CV, Mexico, has acquired entire stake in Vitafor Invest NV, Belgium at a consideration of Euro 1. Vitafor Invest NV has wholly owned subsidiaries/associate namely Addi-Tech NV (100%); Vitafor NV (100%); Vitafor China Ltd. (100%); Europe Bio Engineering BV (100%) and Vial Sàrl (45%) (collectively known and referred as "Vitafor Group"). The consolidated financial statements include the unaudited results of Vitafor Group for the period June 11, 2024, to September 30, 2024.

7 Note on Exceptional Items

A. Based on an extensive review carried out during the quarter of the present economic situation in Europe, Management of the Company is of the view that there are likely inordinate delays in the revival and / or repurposing of the Diphenol facility of wholly owned subsidiary CFS Europe SpA, Italy (CFS Europe) to make it commercially viable in the foreseeable future. In this situation, the Management has decided to continue with the Blending business in Italy and to explore an alternate plan for utilisation of the facility including a negotiated settlement with its lenders. Under these circumstances, Management has regarded it prudent to make a provision for impairment of the Cash Generating Unit (CGU) relating to Diphenol facility of CFS Europe in the results for the current quarter.

B. A similar exhaustive review was carried out, during the quarter, by the Management of the operations of its subsidiary CFS Wanglong Flavors (Ningbo) Co. Ltd (CFSWL), China. The present global economic conditions including those in China, have rendered the repurposing of the facility owned by CFSWL economically unviable. Pursuant to this, the management has recognised an impairment provision of the investment, receivables and assets of CFSW in the results for the current quarter.

C. Management of the Company has decided to dissolve its subsidiary CFS Pahang Asia Pte Ltd, pursuant to which an impairment provision for the entire value of the investment in that subsidiary has been recognised in the results for the current quarter.

D. Company has demolished/scrapped certain assets, which were located in India including those owned by subsidiary Chemolusions Chemicals Limited, for refurbishing them for alternate use. The loss arising from this action has also been provided in the results for the current quarter.

E. Group has recognised acquisition related costs for its investment in Vitafor Invest NV, Belgium in the results of the current quarter.

Accordingly, the exceptional Items, expense (net) recognised in Profit and Loss in the current quarter include:

I. In the standalone financial results :

i) Impairment loss on investments in subsidiaries namely:

a. CFS Europe Rs. 1,178.56 Lakh

b. CFSWL Rs. 436.92 Lakh (Previous year ended 31.03.2024 Rs. 192.84 Lakh)

c. CFS Pahang Asia Pte Ltd Rs. 17.90 Lakh

ii) Impairment of trade and other receivables (net of payables) due from subsidiaries:

a. CFS Europe SpA Rs. 1,929.04 Lakh

b. CFSWL Rs. 5,886.89 Lakh

iii) Loss on demolition / refurbishment of assets Rs. 177.35 Lakh

II. In the consolidated financial results :

i) Impairment of Property Plant and Equipment, Intangibles and certain other assets:

a. Relating to CGU of Diphenol facility at CFS Europe SpA Rs. 11,649.14 Lakh (Net of adjustment to Revaluation Reserve Rs. 3,499.23 Lakh) (Previous year ended 31.03.2024 Inventory write off Rs. 2,279.56 Lakh)

b. Relating to CFSWL Rs 1,875.24 Lakh (Previous year ended 31.03.2024 Rs. 2,700.84 Lakh)

c. Derecognition of deferred taxes of CFSWL Rs. 1,157.40 Lakh

ii) Acquisition related costs of Vitafor Group Rs. 201.72 Lakh

iii) Loss on demolition / refurbishment of assets Rs. 220.39 Lakh

8 Current Tax for the quarter and half year ended September 30, 2024 includes tax provision relating to earlier years amounting to Rs. 165.97 Lakh.

9 Operational Revenue and Operational loss before tax of CFS Europe considered in consolidated results for the quarter September 30, 2024 is as under:

Particulars	QUARTER ENDED			HALF YEAR ENDED		Rs. In Lakh
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue	1,883.65	3,008.40	4,223.83	4,892.05	15,462.67	22,705.26
Loss before tax	(1,366.91)	(1,508.15)	(2,644.64)	(2,875.05)	(3,001.37)	(10,736.27)

No deferred tax has been recognised on the loss for the quarter ended September 2024.

10 The Company's operations constitute a single business segment in Speciality Chemicals.

For Camlin Fine Sciences Limited

Place: Mumbai

Date: November 11, 2024

Ashish S. Dandekar
Chairman & Managing Director
DIN: 01077379

CAMLIN FINE SCIENCES LIMITED
BALANCE SHEET AS AT SEPTEMBER 30, 2024

(Rs.in Lakh)

	PARTICULARS	STANDALONE		CONSOLIDATED	
		30.09.2024 (Unaudited)	31.03.2024 (Audited)	30.09.2024 (Unaudited)	31.03.2024 (Audited)
	ASSETS				
	Non-Current Assets				
(1)	(a) Property, Plant and Equipment	51,553.18	52,327.70	58,269.71	71,224.24
	(b) Capital work-in-progress	2,416.85	3,126.13	2,243.16	4,556.45
	(c) Right-Of-Use Assets	3,536.67	3,665.92	4,424.04	4,452.13
	(d) Goodwill	-	-	7,608.49	4,707.66
	(e) Intangible Assets	1,547.55	1,658.52	1,279.60	1,250.75
	(f) Intangible Assets under development	-	17.85	478.52	30.51
	(g) Financial Assets				
	(i) Investments	6,353.39	7,986.77	2,345.39	787.58
	(ii) Loans	-	469.06	-	-
	(iii) Other financial assets	377.25	323.83	1,486.48	1,387.79
	(h) Deferred tax assets (net)	3,674.07	-	6,154.90	4,050.32
	(i) Income tax assets	663.80	1,079.37	1,590.93	2,117.52
	(j) Other non-current assets	472.35	494.01	514.16	540.75
	Total Non-current Assets	70,595.11	71,149.16	86,395.38	95,105.70
	Current Assets				
(2)	(a) Inventories	25,168.71	25,491.25	50,120.78	51,270.41
	(b) Financial assets				
	(i) Trade receivables	37,344.39	49,181.14	30,944.01	28,515.16
	(ii) Cash and cash equivalents	23.37	67.70	7,949.50	8,025.47
	(iii) Other bank balances	1,109.47	1,327.79	1,109.47	1,327.79
	(iv) Loans	5,741.40	5,202.31	233.10	1,006.13
	(v) Other financial assets	2,906.07	2,437.80	1,216.23	180.93
	(c) Other current assets	2,524.58	2,135.05	10,340.86	9,533.62
	Total Current Assets	74,817.99	85,843.04	101,913.95	99,859.51
	(d) Asset held for sale	207.19	207.19	207.19	207.19
	TOTAL ASSETS	145,620.29	157,199.39	188,516.52	195,172.40
	EQUITY AND LIABILITIES				
	EQUITY				
(1)	(a) Equity Share Capital	1,674.95	1,674.65	1,674.95	1,674.65
	(b) Other Equity	61,297.34	69,896.75	67,301.82	84,800.43
	(c) Non-Controlling Interest	-	-	(2,446.84)	(780.04)
	Total Equity	62,972.29	71,571.40	66,529.93	85,695.04
	LIABILITIES				
	Non-current Liabilities				
(2)	(a) Financial Liabilities				
	(i) Borrowings	19,543.48	22,230.80	34,055.17	33,271.85
	(ii) Lease liabilities	1,275.79	1,470.94	1,913.08	1,715.99
	(iii) Other financial liabilities	-	-	34.44	33.05
	(b) Provisions	543.84	496.64	559.18	510.63
	(c) Deferred tax liabilities (net)	-	683.74	335.31	683.70
	(d) Other non-current liabilities	-	-	32.71	34.66
	Total Non-Current Liabilities	21,363.11	24,882.12	36,929.89	36,249.88
	Current Liabilities				
(3)	(a) Financial Liabilities				
	(i) Borrowings	31,283.16	26,931.59	39,893.77	32,493.91
	(ia) Lease liabilities	585.16	504.04	826.76	821.39
	(ii) Trade Payables				
	(A) Total outstanding dues of micro enterprises and small enterprises; and	4,799.22	3,878.27	4,799.22	3,878.27
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	17,754.26	24,542.44	29,078.16	28,585.64
	(iii) Other financial liabilities	2,688.19	2,157.74	4,542.84	3,193.46
	(b) Other current liabilities	3,860.94	2,429.44	4,660.12	3,278.43
	(c) Provisions	313.30	302.35	1,040.81	957.79
	(d) Current tax liabilities (net)	0.66	-	215.02	18.59
	Total Current Liabilities	61,284.89	60,745.87	85,056.70	73,227.48
	Total Liabilities	82,648.00	85,627.99	121,986.59	109,477.36
	TOTAL EQUITY AND LIABILITIES	145,620.29	157,199.39	188,516.52	195,172.40

For Camlin Fine Sciences Limited

Place: Mumbai
Date: November 11, 2024

Ashish S. Dandekar
Chairman & Managing Director
DIN: 01077379

CAMLIN FINE SCIENCES LIMITED
STANDALONE STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024

(Rs.in Lakh)

Particulars	For half year ended September 30,2024 (Unaudited)	For half year ended September 30,2023 (Unaudited)
Cash Flow from Operating Activities		
(Loss) / Profit Before Tax	(12,813.26)	673.88
Adjustment for:		
Depreciation and Amortisation Expense	2,612.96	2,420.64
Finance Costs	3,153.49	2,714.89
Foreign Exchange Loss / (Gain) (Unrealised)	283.83	142.33
(Gain)/Loss on sale of Property, Plant & Equipment and Intangible Assets	177.35	(0.12)
Allowance/(Reversal) of Credit Loss	(33.97)	(82.96)
Allowances for Doubtful advances	-	2.12
Expense/(Reversal) recognised in respect of equity-settled share-based payments	14.27	0.15
Provision for Defined Benefit Plans	94.35	94.66
Interest Income	(245.39)	(227.14)
Interest Income on other financial assets	(13.60)	-
Guarantee Commission	(13.67)	(13.67)
Provision for impairment in the value of investments and assets	9,449.31	-
Net Gain arising on Financial Liabilities measured at Fair Value Through Profit or Loss (FVTPL)	-	(469.65)
Operating Profit before working capital changes	2,665.67	5,255.13
Adjustment for:		
Increase/(Decrease) in Non Financial Liabilities	1,395.31	(79.56)
Increase/(Decrease) in Financial Liabilities	(5,432.48)	(660.51)
(Increase)/Decrease in Non Financial Assets	(101.34)	(2,779.68)
(Increase)/Decrease in Financial Assets	3,804.14	3,793.45
Cash generated from operations	2,331.30	5,528.83
Taxes Paid (Net)	(82.26)	(1,040.32)
Net Cash Flow from Operating activities	2,249.04	4,488.51
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	(995.72)	(2,339.62)
Sale of Property, Plant & Equipment and Intangible Assets	-	7.81
Loan to Subsidiary and others	(53.48)	(193.00)
Maturity of / (Investment in) Fixed Deposit	224.33	(339.19)
Interest Received	31.32	21.95
Net Cash Flow (used in) Investing Activities	(793.55)	(2,842.05)
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares under Employee Stock Option Plan	19.08	52.86
Proceeds from / (Repayment of) Long Term Borrowings (Net)	(1,570.43)	1,246.97
Proceeds from / (Repayment of) Short Term Borrowings (Net)	3,305.43	(1,148.63)
Payment of lease liabilities	(399.54)	(239.87)
Interest Paid	(2,854.36)	(1,978.37)
Net Cash Flow used in Financing Activities	(1,499.82)	(2,067.04)
Net Decrease in Cash & Cash Equivalents	(44.33)	(420.58)
Cash & Cash Equivalents at the beginning of the year	67.70	435.06
Cash & Cash Equivalents at the end of half year	23.37	14.48

Note :

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(b) Cash and Cash Equivalents comprises of :

Particulars	For half year ended September 30,2024 (Unaudited)	For half year ended September 30,2023 (Unaudited)
Balances with Banks in Current Accounts	21.20	11.12
Cash on Hand	2.17	3.36
Cash and cash equivalents in Statement of Cash Flow	23.37	14.48

FOR Camlin Fine Sciences Limited

Place: Mumbai

Mumbai, Dated: November 11, 2024

Ashish S. Dandekar
Chairman & Managing Director
DIN: 01077379

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024

(Rs in Lakh)

Particulars	For the half year ended September 30, 2024 (Unaudited)	For half year ended September 30, 2023 (Unaudited)
Cash Flow from Operating Activities		
(Loss) / Profit Before Tax	(16,578.77)	399.22
Adjustment for:		
Depreciation and amortisation expense	4,080.29	3,798.11
Finance costs	4,979.56	2,999.79
Foreign exchange loss / (gain) (unrealised)	1,793.69	1,203.88
Loss on sale/discard of Property, Plant & Equipment	293.05	(15.95)
Provision for impairment in the value of assets	14,059.83	-
Allowance / (Reversal) for Credit Loss	(33.97)	(28.11)
Allowance for Doubtful Advances	-	2.12
Expenses / (reversal) recognised in respect of equity settled share based payments	-	0.20
Provision for defined benefit plans and compensated absences	167.77	195.75
Interest income	(62.88)	(52.88)
Hyperinflationary effect on Consolidated Statement of Profit and Loss	432.42	(204.65)
Share of Profit of associate	(50.50)	-
Net gain arising on Financial Liabilities measured at Fair Value Through Profit or Loss (FVTPL)	-	(469.65)
Operating Profit before working capital changes	9,080.49	7,827.83
Adjustment for:		
Increase/(Decrease) in Non Financial Liabilities	48.00	(431.29)
Increase/(Decrease) in Financial Liabilities	(1,259.95)	(4,916.63)
(Increase)/Decrease in Non Financial Assets	(72.10)	(1,869.86)
(Increase)/Decrease in Financial Assets	461.99	5,936.12
Cash generated from operations	8,258.43	6,546.17
Taxes Paid (Net)	(1,698.06)	(2,175.09)
Net Cash Flow from Operating activities	6,560.37	4,371.08
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	(2,707.65)	(2,674.49)
Sale of Property, Plant & Equipment and Intangible Assets	-	37.31
Sale/ (Purchase) of non-current investments	-	8.30
Loans given	-	5.85
Maturity of / (Investment in) Fixed Deposit	218.32	(338.15)
Interest Received	62.88	52.88
Net Cash Flows used in Investing Activities	(2,426.45)	(2,908.30)
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares under Employee Stock Option Scheme / Plan	19.08	52.86
Proceeds from / (Repayment of) Long Term Borrowings (Net)	(1,949.86)	1,893.40
Proceeds from / (Repayment of) Short Term Borrowings (Net)	1,530.13	(351.85)
Payment of lease liabilities	(393.34)	(469.60)
Interest Paid	(3,415.90)	(2,491.87)
Payment of preferred dividend	-	(227.73)
Net Cash Flow used in Financing Activities	(4,209.89)	(1,594.79)
Net Decrease in Cash & Cash Equivalents	(75.97)	(132.01)
Cash & Cash Equivalents at the beginning of the year	8,025.47	9,374.24
Cash & Cash Equivalents at the end of half year	7,949.50	9,242.23

Notes:

(a) The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(b) Cash and Cash Equivalents comprises of :

(Rs In Lakh)

Particulars	As at	As at
	September 30, 2024	September 30, 2023
Balances with banks in current accounts	7,776.79	9,104.25
Cash on hand	172.71	137.98
Cash and cash equivalents in Consolidated Statement of Cash Flows	7,949.50	9,242.23

FOR CAMLIN FINE SCIENCES LIMITED

**The Board of Directors
Camlin Fine Sciences Limited**

LIMITED REVIEW REPORT

- 1) We have reviewed the accompanying Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2024, of **Camlin Fine Sciences Limited** (“the Company”) together with the Unaudited Standalone Statement of Assets and Liabilities, Unaudited Standalone Statement of Cash Flows and the notes thereon, (“the Statement”) attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) duly initialled by us for identification.
- 2) This Statement, which is the responsibility of the Company’s Management, has been reviewed by the Audit Committee and approved by the Board of Directors, at their respective meetings held on November 11, 2024, and has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ‘Interim Financial Reporting’ (“Ind AS 34”) prescribed under Section 133 of the Companies Act, 2013, (“the Act”) read with relevant Rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
- 3) We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 4) Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No.: 104607W/W100166

Anil A. Kulkarni
Partner
Membership No.: 047576
UDIN: 24047576BKBJTV5549
Place: Mumbai
Date: November 11, 2024

**The Board of Directors
Camlin Fine Sciences Limited**

LIMITED REVIEW REPORT

- 1) We have reviewed the accompanying Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2024 of **Camlin Fine Sciences Limited** ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of net profit / loss after tax and total comprehensive income of an associate company of its subsidiary company (refer paragraph 4 below) together with the Unaudited Consolidated Statement of Assets and Liabilities, Unaudited Consolidated Statement of Cash Flows and the notes thereon ("the Statement"), attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("the Listing Regulations") duly initialed by us for identification.
- 2) This Statement, which is the responsibility of the Parent's Management has been reviewed by the Parent's Audit Committee and approved by Parent's Board of Directors, at their respective meetings held on November 11, 2024, and has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, ("the Act"), read with relevant Rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
- 3) We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4) The Statement includes the results of the following entities:

Incorporated In India

Sr. No.	Name of the Entity	Relationship
i.	Chemolutions Chemicals Ltd.	Subsidiary
ii.	AlgalR Nutra Pharms Private Limited	Subsidiary

Incorporated Outside India

Sr. No.	Name of the Entity	Relationship
i.	CFS North America LLC	Wholly owned subsidiary
ii.	CFS Do Brasil Indústria, Comércio, Importação e Exportação De Aditivos Alimentícios LTDA	Wholly owned subsidiary
iii.	Solentus North America Inc	Wholly owned subsidiary
iv.	CFS Europe S.P.A	Wholly owned subsidiary
v.	Dresen Química S.A.P.I de C.V.	Wholly owned subsidiary
vi.	Industrias Petrotec De Mexico S.A. de C.V.	Step down subsidiary
vii.	Nuvel, S.A.C.	Step down subsidiary
viii.	Britec, S.A.	Step down subsidiary
ix.	Inovel, S.A.S	Step down subsidiary
x.	Grinel, S.R.L	Step down subsidiary
xi.	CFS Wanglong Flavors (Ningbo) Co. Ltd.	Subsidiary
xii.	CFS Pahang Asia Pte. Ltd.	Subsidiary
xiii.	CFS Argentina S.A.	Step down subsidiary
xiv.	CFS Chile De SPA	Step down subsidiary
xv.	CFS De Mexico Blends, S.A.P.I DE CV	Wholly owned subsidiary
xvi.	CFS PP (M) SDN. BHD	Subsidiary
xvii.	Vitafor Invest NV, Belgium (w.e.f. June 11, 2024)	Step down subsidiary
xviii.	Vitafor NV (w.e.f. June 11, 2024)	Step down subsidiary
xix.	Addi-Tech NV (w.e.f. June 11,2024)	Step down subsidiary
xx.	Vitafor China Ltd. (w.e.f. June 11,2024)	Step down subsidiary
xxi.	Europe Bio Engineering BV (w.e.f. June 11, 2024)	Step down subsidiary
xxii.	Vial SARL (w.e.f. June 11, 2024)	Associate Company of a Step down subsidiary

5) Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review reports of the other auditors referred to in paragraph 6(A) below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6) Other Matters:

A. We did not review the interim financial results of 16 subsidiaries incorporated outside India and 2 subsidiaries in India included in the Statement, whose interim financial results reflect Group's share of total assets of Rs. 1,24,777.48 Lakh as at September 30, 2024 and Group's share of total revenues of Rs. 29,585.43 Lakh and Rs. 57,457.14 Lakh for the quarter and for the half year ended, respectively, Group's share of total net profit / (loss) after tax of Rs. 805.37 Lakh and Rs. (706.99) Lakh and total comprehensive income of Rs. 631.82 Lakh and Rs. (1,860.73) Lakh for the quarter and half year ended September 30, 2024, respectively, and Cash flow (net inflow) of Rs. 578.93 Lakh for the half year ended September 30, 2024.

The Statement also includes the Group's share of net profit after tax and total comprehensive income of Rs. 50.50 Lakh for the quarter and half year ended September 30, 2024, as considered in the consolidated unaudited financial results, in respect of an associate of a subsidiary, located outside India.

These interim financial results of the subsidiaries and associate as mentioned in this paragraph have been reviewed by other auditors whose reports have been furnished to us by the Parent's Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

In respect of these subsidiaries (including an associate) located outside India whose interim financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which has been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's Management has converted the interim financial results of these subsidiaries (including an associate) located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India (Indian Accounting Standards "Ind AS"). We have reviewed these conversion adjustments made by the Parent's Management.

B. The Statement includes interim financial results of 5 subsidiaries incorporated outside India which have not been reviewed and have been included on the basis of the Unaudited Management Accounts, whose interim financial results reflect Group's share of total assets of Rs. 2,439.99 Lakh as at September 30, 2024 and Group's share of total revenues of Rs. 533.41 Lakh and Rs. 1,006.86 Lakh for the quarter and half year ended September 30, 2024, respectively, Group's share of total net profit / (loss) after tax of Rs. (448.77) Lakh and Rs. (614.55) Lakh and total comprehensive income of Rs. 7.29 Lakh and Rs. 51.12 Lakh for the quarter and half year ended September 30, 2024, respectively, and Cash flow (net outflow) of Rs. 96.01 Lakh for the half year ended September 30, 2024. These interim financial results have been furnished to us by the Parent's Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such interim financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matters.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No.: 104607W/W100166

Anil A. Kulkarni
Partner
Membership No.: 047576
UDIN: 24047576BKBJWTW7570
Place: Mumbai
Date: November 11, 2024

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023													(Rs.in Lakh, except per share data)	
PART I														
	PARTICULARS	STANDALONE						CONSOLIDATED						
		QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED	
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Revenue from operations	20,621.41	16,111.16	24,314.95	36,732.57	39,858.80	78,943.57	40,587.94	41,960.26	48,324.57	82,548.20	86,702.06	168,156.40	
2	Other income	563.42	601.25	1,209.69	1,120.47	2,448.22	2,883.18	176.09	636.75	287.57	812.84	146.56	579.93	
3	Total income	21,184.83	16,712.41	25,524.64	37,853.04	42,307.02	81,826.75	40,764.03	42,597.01	48,612.14	83,361.04	86,848.62	168,736.33	
4	Expenses													
	Cost of materials consumed	11,348.70	10,075.53	11,546.54	21,424.23	19,722.55	40,275.39	20,618.40	24,756.15	22,525.27	45,374.55	43,668.79	85,557.32	
	Purchase of stock in trade	264.92	90.77	37.74	355.69	80.74	554.44	1,225.70	1,967.13	104.54	3,192.83	789.39	6,070.82	
	Changes in inventories of finished goods/WIP/stock in trade	(831.29)	(3,844.63)	267.14	(4,675.92)	(122.32)	(4,260.60)	516.85	(5,145.24)	1,215.87	(4,628.39)	(2,798.68)	(10,304.99)	
	Employee benefits expense	1,769.95	1,548.09	1,294.80	3,318.04	2,696.01	5,971.45	4,324.17	4,384.85	3,895.61	8,709.02	8,007.62	16,262.09	
	Finance costs	1,510.20	1,204.69	1,632.67	2,714.89	3,190.98	5,694.24	1,977.79	1,022.00	1,844.64	2,999.79	3,717.53	5,850.48	
	Depreciation and amortisation expense	1,240.93	1,179.71	728.92	2,420.64	1,456.67	3,282.10	1,920.08	1,878.03	1,402.44	3,798.11	2,839.64	6,251.21	
	Other expenses	5,933.76	5,732.03	6,947.85	11,621.59	11,697.63	23,647.13	11,389.54	12,126.37	15,062.33	23,515.91	26,608.05	50,043.86	
	Total Expenses	21,237.17	15,986.19	22,455.66	37,179.16	38,722.26	75,164.15	41,972.53	40,989.29	46,050.70	82,961.82	82,832.34	159,730.79	
5	Profit / (Loss) before exceptional items and share of profit / (loss) of associate (3-4)	(52.34)	726.22	3,068.98	673.88	3,584.76	6,662.60	(1,208.50)	1,607.72	2,561.44	399.22	4,016.28	9,005.54	
6	Exceptional items (Refer Note 6)	-	-	-	-	-	-	-	-	-	-	-	967.84	
7	Profit / (Loss) before share of profit / (loss) of associate (5-6)	(52.34)	726.22	3,068.98	673.88	3,584.76	6,662.60	(1,208.50)	1,607.72	2,561.44	399.22	4,016.28	8,037.70	
8	Share of profit / (loss) of associate	-	-	-	-	-	-	-	-	-	-	-	-	
9	Profit / (Loss) before tax (7-8)	(52.34)	726.22	3,068.98	673.88	3,584.76	6,662.60	(1,208.50)	1,607.72	2,561.44	399.22	4,016.28	8,037.70	
10	Tax Expenses													
	- Current tax	19.61	176.32	628.03	195.93	721.66	1,392.06	785.91	401.56	1,199.35	1,187.47	1,942.73	2,867.78	
	- Deferred tax	73.61	(28.14)	572.55	45.47	467.22	515.07	88.53	4.49	375.05	93.02	726.61	1,188.88	
		93.22	148.18	1,200.58	241.40	1,188.88	1,907.13	874.44	406.05	1,574.40	1,280.49	2,669.34	4,056.66	
11	Profit / (Loss) for the period (9-10)	(145.56)	578.04	1,868.40	432.48	2,395.88	4,755.47	(2,082.94)	1,201.67	987.04	(881.27)	1,346.94	3,981.04	
12	Other comprehensive income													
A	Items that will not be reclassified to profit or loss													
	- Remeasurements of defined benefit plans	(4.54)	(10.65)	(2.62)	(15.19)	32.70	(87.44)	(4.54)	(10.65)	(2.62)	(15.19)	32.70	(93.35)	
	- Income tax relating to Items that will not be reclassified to profit or loss	1.59	3.72	0.91	5.31	(11.43)	30.55	1.59	3.72	0.91	5.31	(11.43)	30.55	
B	Items that will be reclassified to profit or loss													
	- Exchange differences on translating the financial statements of foreign operations							(143.42)	366.47	(1,127.78)	223.05	(1,539.91)	2,095.02	
	(ii) - The effective portion of gain or loss on hedging instruments in a cash flow hedge	(163.09)	211.97	(199.61)	48.88	(215.03)	(13.94)	(163.09)	211.97	(199.61)	48.88	(215.03)	(13.94)	
	(iii) - Income tax relating to Items that will be reclassified to profit or loss	61.86	(74.07)	74.73	(12.21)	80.12	4.87	61.86	(74.07)	74.73	(12.21)	80.12	4.87	
	Other comprehensive income	(104.18)	130.97	(126.59)	26.79	(113.64)	(65.96)	(247.60)	497.44	(1,254.37)	249.84	(1,653.55)	2,023.15	
13	Total comprehensive income for the period (11+12)	(249.74)	709.01	1,741.81	459.27	2,282.24	4,689.51	(2,330.54)	1,699.11	(267.33)	(631.43)	(306.61)	6,004.19	
14	Profit / (Loss) attributable to:													
	(i) Owners of the Company							(1,938.30)	1,555.46	1,301.57	(382.84)	1,890.22	5,210.64	
	(ii) Non-controlling interests							(144.64)	(353.79)	(314.53)	(498.43)	(543.28)	(1,229.60)	
15	Other comprehensive income attributable to:													
	(i) Owners of the Company							(251.22)	549.35	(1,213.56)	298.13	(1,586.24)	2,034.40	
	(ii) Non-controlling interests							3.62	(51.91)	(40.81)	(48.29)	(67.31)	(11.25)	
16	Total comprehensive income attributable to:													
	(i) Owners of the Company							(2,189.52)	2,104.81	88.01	(84.71)	303.98	7,245.04	
	(ii) Non-controlling interests							(141.02)	(405.70)	(355.34)	(546.72)	(610.59)	(1,240.85)	
17	Paid-up Equity Share Capital (Face Value Re.1/- per share)	1,674.55	1,673.52	1,570.65	1,674.55	1,570.65	1,570.93	1,674.55	1,673.52	1,570.65	1,674.55	1,570.65	1,570.93	
18	Other Equity				75,493.68		62,643.28				92,628.44		80,366.47	
19	Earnings per Share (EPS) (of Re.1/-each) (not annualised)													
	Basic (Rs.)	(0.09)	0.36	1.27	0.26	1.59	3.18	(1.17)	0.96	0.94	(0.23)	1.29	3.45	
	Diluted (Rs.)	(0.09)	0.35	1.26	0.26	1.57	3.14	(1.16)	0.94	0.93	(0.23)	1.27	3.41	

Notes to financial results:

1 The above results which are published in accordance with Regulation 33 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, as amended, have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 06, 2023. The financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India.

2 Other income / Other expense above includes net foreign exchange gain / (loss) for each reporting period as under:

Particulars	STANDALONE						CONSOLIDATED						Rs. In Lakh
	QUARTER ENDED			HALF YEAR ENDED			QUARTER ENDED			HALF YEAR ENDED			YEAR ENDED
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
Exchange gain	434.60	-	1,061.77	390.38	2,218.88	2,377.32	-	-	208.50	-	-	-	
Exchange loss	-	44.22	-	-	-	-	654.14	598.29	-	1,252.43	48.31	783.66	
Total Exchange gain / (loss)	434.60	(44.22)	1,061.77	390.38	2,218.88	2,377.32	(654.14)	(598.29)	208.50	(1,252.43)	(48.31)	(783.66)	

The exchange gain / (loss) shown above excludes exchange gain / (loss) on derivative contracts accounted as cash flow hedge.

3 Finance costs include foreign exchange gain / (loss) for each reporting period as under:

Particulars	STANDALONE						CONSOLIDATED						Rs. In Lakh
	QUARTER ENDED			HALF YEAR ENDED			QUARTER ENDED			HALF YEAR ENDED			YEAR ENDED
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
Exchange gain	-	137.57	-	-	-	-	-	616.28	-	143.86	-	-	
Exchange loss	263.46	-	1,023.81	125.89	1,785.67	2,518.93	472.42	-	816.65	-	1,871.24	1,666.69	
Total Exchange gain / (loss)	(263.46)	137.57	(1,023.81)	(125.89)	(1,785.67)	(2,518.93)	(472.42)	616.28	(816.65)	143.86	(1,871.24)	(1,666.69)	

4 Other income / other expense for standalone and consolidated above includes net gain on fair value changes in FCCB derivative for each reporting period as under:

Particulars	STANDALONE						CONSOLIDATED						Rs. In Lakh
	QUARTER ENDED			HALF YEAR ENDED			QUARTER ENDED			HALF YEAR ENDED			YEAR ENDED
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023	
Other Income	-	469.65	35.08	469.65	-	29.66	-	-	-	-	-	-	
Other Expense	-	-	-	-	76.02	-	-	-	-	-	-	-	
	-	469.65	35.08	469.65	(76.02)	29.66	-	-	-	-	-	-	

5 During the half year ended September 30, 2023, the Company has issued and allotted 89,825 equity shares of Re.1 each at a premium of Rs. 49 per equity share aggregating to Rs. 44.91 lakh under Employees Stock Option Scheme, 2018 (ESOP-2018). During the half year ended September 30, 2023, the Company has issued and allotted 12,500 equity shares of Re.1 each at a premium of Rs. 62.59 per equity share aggregating to Rs. 7.95 lakh under Employees Stock Option Scheme, 2020 (ESOP-2020). 12,500 employee stock options have lapsed under ESOP-2018 during the half year ended September 30, 2023. No employee stock options have lapsed under ESOP-2020 during the half year ended September 30, 2023.

6 Consequent to the Supreme People's Court of China's Order on alleged infringement of intellectual property used in the process for manufacturing Vanillin with respect to our JV Partner, the production of Vanillin at CFS Wanglong Flavors (Ningbo) Co., Ltd.(CFSWL) manufacturing facility in China has been stopped since February 19, 2021 till further directions of the Court.

Apart from imposing penalty of RMB 159.32 million (about USD 25 million / Rs. 18,167.26 lakh) on our JV partner, 7% of the aforesaid penalty amounting to RMB 11.15 million (about USD 1.70 million / Rs. 1,271.43 lakh) had also been levied on CFSWL.

In the opinion of the management, based on the discussions with the JV Partner, the findings and allegations of the Honourable Court are not based on the facts and that the order passed by the Court is arbitrary. As a co-defendant with the JV Partner, CFSWL had preferred an application for retrial of the aforesaid order before Supreme People's Court of China which was heard in the month of October 2021, the decision thereof is awaited.

Though the management is confident of favourable decision in the retrial proceedings and / or settlement between the JV partner and the litigant, it has been decided to utilise the existing CFSWL manufacturing facility for alternative use by manufacturing Heliotropin, an aromatic product which is downstream of Catechol.

Based on the impairment testing of the investments and assets for alternative use, there are no indications of impairment in the value of investments, goodwill and tangible assets.

Further in terms of the shareholders' agreement dated April 28, 2017 and its subsequent amendments, the Company and CFSWL are indemnified against penalty and or legal consequences emanating from the violation of IP rights including the right to recover the loss on the impairment of INR 967.84 lakh provided in FY 23 and disclosed as an exceptional item.

7 Diphenol manufacturing plant of CFS Europe S.p.A. at Ravenna Italy, was temporarily shut down from August 15, 2023 due to difficult macro economic situation in Europe, low pricing and weak demand. The shut down continues as on date.

Revenue for the quarter and profit / loss before tax includes following pertaining to the said subsidiary:

a) Revenues - INR 4,223.83 lakh (INR 11,238.84 lakh for quarter ended June 2023)

b) Loss before tax - INR 2,644.64 lakh (INR 356.73 lakh for quarter ended June 2023)

On a conservative basis, deferred tax asset is not recognised on the aforesaid loss.

8 On May 11, 2023, International Finance Corporation exercised its option to convert the Foreign Currency Convertible Bonds (FCCB) amounting to USD 15 million into 10,258,986 equity shares of face value of Re.1 each of the company at the conversion price of INR 105 per equity share which were allotted on May 12, 2023. As per the provisions of IND AS 32 - Financial Instruments, the amortised value of the FCCB of INR 13,280.89 lakh and the fair value of the derivative of INR 839.38 lakh both as on May 12, 2023, have been recognised as follows:

a) INR 102.59 lakh being 10,258,986 equity shares of Re.1 each under 'Equity Share Capital',

b) INR 10,669.35 lakh being 10,258,986 equity shares of INR 104 each under 'Securities Premium Account' and

c) The balance amount of INR 1,669.57 lakh under 'Reserve on conversion of FCCB' under Other Equity.

9 The Company's operations constitute a single business segment in Speciality Chemicals.

10 Figures for previous periods have been reclassified / regrouped, wherever necessary. Such reclassification / regrouping, wherever done is not material.

For Camlin Fine Sciences Limited

Place: Mumbai
Date: November 06, 2023

Ashish S. Dandekar
Chairman & Managing Director
DIN: 01077379

BALANCE SHEET

		(Rs.in Lakh)				
		STANDALONE		CONSOLIDATED		
		30.09.2023	31.03.2023	30.09.2023	31.03.2023	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
		ASSETS				
		Non-Current Assets				
(1)	(a)	Property, Plant and Equipment	52,708.81	53,276.45	73,385.82	75,251.60
	(b)	Capital work-in-progress	3,475.68	2,818.02	4,970.41	4,083.62
	(c)	Right-Of-Use Assets	3,694.47	3,107.67	4,572.59	4,108.44
	(d)	Goodwill	-	-	5,279.29	5,279.29
	(e)	Intangible Assets	1,789.01	1,920.49	1,044.80	1,122.28
	(f)	Intangible Assets under development	17.85	17.85	327.51	218.55
	(g)	Financial Assets				
	(i)	Investments	8,179.61	8,179.55	787.58	795.88
	(ii)	Loans	1,184.48	991.48	-	-
	(iii)	Other financial assets	411.62	573.99	1,456.80	1,662.41
	(h)	Deferred tax assets (net)	-	-	2,883.69	2,997.51
	(i)	Income tax assets	720.04	494.15	1,510.87	1,257.73
	(j)	Other non-current assets	214.52	428.87	246.03	450.70
		Total Non-current Assets	72,396.09	71,808.52	96,465.39	97,228.01
		Current Assets				
(2)	(a)	Inventories	28,131.37	25,198.27	59,068.77	56,814.39
	(b)	Financial assets				
	(i)	Trade receivables	48,562.51	52,629.73	24,058.03	30,458.89
	(ii)	Cash and cash equivalents	14.48	435.06	9,242.23	9,374.24
	(iii)	Other bank balances	886.72	547.53	886.72	548.57
	(iv)	Loans	4,314.02	4,279.01	1,008.10	1,013.95
	(v)	Other financial assets	2,637.83	2,282.39	576.42	414.00
	(c)	Other current assets	1,820.89	1,993.20	9,856.29	9,950.63
		Total Current Assets	86,367.82	87,365.19	104,696.56	108,574.67
	(d)	Asset held for sale	207.19	207.19	207.19	207.19
		TOTAL ASSETS	158,971.10	159,380.90	201,369.14	206,009.87
		EQUITY AND LIABILITIES				
		EQUITY				
(1)	(a)	Equity Share Capital	1,674.55	1,570.93	1,674.55	1,570.93
	(b)	Other Equity	75,493.68	62,643.28	92,628.44	80,366.47
	(c)	Non-Controlling Interest	-	-	(75.66)	471.04
		Total Equity	77,168.23	64,214.21	94,227.33	82,408.44
		LIABILITIES				
		Non-current Liabilities				
		Financial Liabilities				
(2)	(a)	Borrowings	23,707.86	29,231.11	35,121.77	40,809.53
	(i)	Lease liabilities	1,502.07	998.48	1,784.68	1,433.06
	(ii)	Other financial liabilities	-	-	36.98	29.64
	(iii)	Provisions	464.75	470.08	477.18	481.47
	(b)	Deferred tax liabilities (net)	1,562.79	1,510.42	1,562.79	1,510.42
	(c)	Other non-current liabilities	-	-	36.64	38.60
	(d)					
		Total Non-Current Liabilities	27,237.47	32,210.09	39,020.04	44,302.72
		Current Liabilities				
(3)	(a)	Financial Liabilities				
	(i)	Borrowings	24,381.29	31,202.81	31,498.45	37,149.10
	(ia)	Lease liabilities	455.09	281.56	858.58	662.70
	(ii)	Trade Payables				
		(A) Total outstanding dues of micro enterprises and small enterprises; and	1,236.77	1,614.01	1,236.88	1,614.01
		(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	21,992.90	23,267.48	22,800.28	27,221.07
	(iii)	Other financial liabilities	2,546.35	2,039.68	6,440.96	6,392.14
	(b)	Other current liabilities	3,080.22	3,060.42	3,651.37	3,786.10
	(c)	Provisions	248.04	247.41	944.75	1,048.61
	(d)	Current tax liabilities (net)	624.74	1,243.23	690.50	1,424.98
		Total Current Liabilities	54,565.40	62,956.60	68,121.77	79,298.71
		TOTAL EQUITY AND LIABILITIES	158,971.10	159,380.90	201,369.14	206,009.87

For Camlin Fine Sciences Limited

Place: Mumbai
Date: November 06, 2023

Ashish S. Dandekar
Chairman & Managing Director
DIN: 01077379

CAMLIN FINE SCIENCES LIMITED
Statement of Cash Flows for half year ended September 30, 2023

Particulars	INR (in Lakh)	
	For half year ended September 30, 2023	For half year ended September 30, 2022
Cash Flow from Operating Activities		
Profit Before Tax	673.88	3,584.76
Adjustment for:		
Depreciation and Amortisation Expense	2,420.64	1,456.67
Finance Costs	2,714.89	3,190.98
Foreign Exchange Loss / (Gain) (Unrealised)	142.33	(1,908.73)
(Gain)/Loss on sale of Property, Plant & Equipment and Intangible Assets	(0.12)	12.39
Allowance/(Reversal) of Credit Loss	(82.96)	226.36
Allowances for Doubtful advances	2.12	47.43
Expense/(Reversal) recognised in respect of equity-settled share-based payments	0.15	230.26
Provision for defined benefit plans and compensated absences	94.66	47.70
Interest Income	(227.14)	(196.16)
Guarantee Commission	(13.67)	(13.67)
Net Gain arising on Financial Liabilities measured at Fair Value Through Profit or Loss (FVTPL)	(469.65)	76.02
Operating Profit before working capital changes	5,255.13	6,754.02
Adjustment for:		
Increase/(Decrease) in Non Financial Liabilities	(79.56)	67.36
Increase/(Decrease) in Financial Liabilities	(660.51)	5,196.32
(Increase)/Decrease in Non Financial Assets	(2,779.68)	(1,787.93)
(Increase)/Decrease in Financial Assets	3,793.45	(6,082.72)
Cash generated from/(used in) operations	5,528.83	4,147.05
Taxes Paid (Net)	(1,040.32)	(37.75)
Net Cash Flow from/(used in) Operating activities	4,488.51	4,109.30
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	(2,339.62)	(13,977.11)
Sale of Property, Plant & Equipment and Intangible Assets	7.81	-
Loan to Subsidiary and others	(193.00)	(193.07)
Maturity of / (Investment in) Fixed Deposit	(339.19)	1,930.99
Interest Received	21.95	40.54
Net Cash Flow from/(used in) Investing Activities	(2,842.05)	(12,198.65)
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares under Employee Stock Option Scheme / Plan	52.86	40.38
Proceeds from Share Application Money pending allotment	-	2.30
Proceeds from / (Repayment of) Long Term Borrowings (Net)	1,246.97	4,329.60
Proceeds from / (Repayment of) Short Term Borrowings (Net)	(1,148.63)	4,204.31
Payment of lease liabilities	(239.87)	(216.08)
Interest Paid	(1,978.37)	(914.99)
Net Cash Flow from Financing Activities	(2,067.04)	7,445.52
Net Increase / (Decrease) in Cash & Cash Equivalents	(420.58)	(643.83)
Cash & Cash Equivalents at the beginning of the year	435.06	2,216.63
Cash & Cash Equivalents at the end of half year	14.48	1,572.80

Note :

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(b) Cash and Cash Equivalents comprises of :

Particulars	INR (in Lakh)	
	For half year ended September 30, 2023	For half year ended September 30, 2022
Balances with Banks in Current Accounts	11.12	1,067.47
Bank deposits with original maturity of less than three months	-	500.90
Cash on Hand	3.36	4.43
Cash and cash equivalents in Statement of Cash Flow	14.48	1,572.80

(c) Previous year's figures have been regrouped/reclassified wherever applicable.

For Camlin Fine Sciences Limited

Place: Mumbai

Mumbai, Dated: November 06, 2023

Ashish S. Dandekar
Chairman & Managing Director
DIN: 01077379

CAMLIN FINE SCIENCES LIMITED

Consolidated Statement of Cash Flows for half year ended September 30, 2023

Particulars	INR (in Lakh)	
	For half year ended September 30, 2023	For half year ended September 30, 2022
Cash Flow from Operating Activities		
Profit Before Tax	399.22	4,016.28
Adjustment for:		
Depreciation and Amortisation Expense	3,798.11	2,839.64
Finance Costs	2,999.79	3,717.53
Foreign Exchange Loss / (Gain) (Unrealised)	1,203.88	(922.87)
(Gain)/Loss on sale of Property, Plant & Equipment and Intangible Assets	(15.95)	2.77
Allowance / (Reversal) for Credit Loss	(28.11)	188.05
Allowance for Doubtful Advances	2.12	47.43
Expenses / (reversal) recognised in respect of equity settled share based payments	0.20	230.26
Provision for defined benefit plans and compensated absences	195.75	47.70
Interest income	(52.88)	(43.89)
Hyperinflationary effect on Consolidated Statement of Profit and Loss	(204.65)	(105.05)
Net gain arising on Financial Liabilities measured at Fair Value Through Profit or Loss (FVTPL)	(469.65)	76.02
Operating Profit before working capital changes	7,827.83	10,093.87
Adjustment for:		
Increase/(Decrease) in Non Financial Liabilities	(431.29)	(564.75)
Increase/(Decrease) in Financial Liabilities	(4,916.63)	(152.00)
(Increase)/Decrease in Non Financial Assets	(1,869.86)	(6,501.26)
(Increase)/Decrease in Financial Assets	5,936.12	(174.21)
Cash generated from / (used in) operations	6,546.17	2,701.65
Taxes Paid (Net)	(2,175.09)	(1,091.43)
Net Cash Flow from / (used in) Operating activities	4,371.08	1,610.22
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	(2,674.49)	(12,083.64)
Sale of Property, Plant & Equipment and Intangible Assets	37.31	-
Sale/ (Purchase) of non-current investments	8.30	-
Loans given	5.85	-
Maturity of / (Investment in) Fixed Deposit	(338.15)	1,930.99
Interest Received	52.88	43.89
Net Cash Flows from/(used in) Investing Activities	(2,908.30)	(10,108.76)
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Shares under Employee Stock Option Scheme / Plan	52.86	40.38
Proceeds from Share Application Money pending allotment	-	2.30
Proceeds from / (Repayment of) Long Term Borrowings (Net)	1,893.40	6,609.25
Proceeds from / (Repayment of) Short Term Borrowings (Net)	(351.85)	1,835.91
Payment of lease liabilities	(469.60)	(436.64)
Interest Paid	(2,491.87)	(1,325.28)
Payment of preferred dividend	(227.73)	(384.90)
Net Cash Flow from Financing Activities	(1,594.79)	6,341.02
Net Increase/(Decrease) in Cash & Cash Equivalents	(132.01)	(2,157.52)
Cash & Cash Equivalents at the beginning of the year	9,374.24	10,781.16
Cash & Cash Equivalents at the end of half year	9,242.23	8,623.64

Notes:

(a) The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(b) Cash and Cash Equivalents comprises of :

Particulars	INR (in Lakh)	
	As at September 30, 2023	As at September 30, 2022
Balances with banks in current accounts	9,104.25	8,112.76
Bank deposits with original maturity of less than three months	-	500.90
Cash on hand	137.98	9.98
Cash and cash equivalents in Consolidated Statement of Cash Flows	9,242.23	8,623.64

(c) Previous period's figures have been regrouped/reclassified wherever applicable.

For Camlin Fine Sciences Limited

Place: Mumbai
Date: November 06, 2023

Ashish S. Dandekar
Chairman & Managing Director
DIN: 01077379

To,
The Board of Directors
Camlin Fine Sciences Limited,
G.S. Point, Plot No. VIII, C.S.T. Road
Private Layout Scheme, Kalina,
Santacruz- (East), Mumbai-400098

LIMITED REVIEW REPORT

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Camlin Fine Sciences Limited (“the Company”), for the quarter ended September 30, 2023, and for the period from April 1, 2023 to September 30, 2023 (“the Statement”). This Statement which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ‘Interim Financial Reporting’ (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, as applicable, other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (“the SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“the Listing Regulations”) is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. **Emphasis of Matter**

We draw attention to Note 6 of the Statement, relating to the decision of the Supreme People’s Court of China (“Honorable Court”) which has imposed penalty amounting to RMB 159.32 million i.e. INR 18,167.26 Lakhs on the JV partner in the subsidiary company and others for alleged infringement of intellectual property used in the manufacturing process. An amount of RMB 11.15 million i.e. INR 1,271.43 Lakhs which is 7% of the total penalty imposed is attributed to the subsidiary i.e. CFS Wanglong Flavors (Ningbo) Co. Ltd. As a matter of abundant legal caution, the

subsidiary company has stopped the production facility till further directions of the Honorable Court. As per the terms of the shareholders' agreement dated April 28, 2017, and amendments made thereafter, the Company and its subsidiary company are indemnified against penalty and/or legal consequences emanating from the violation of the IP rights. As a co-defendant with the JV Partner, the subsidiary company has preferred an application for retrial of the aforesaid order before Honorable Court which was heard in the month October 2021, the decision thereof is awaited. In the opinion of the Management, based on the above and for reasons as more fully discussed in the aforesaid note, no impairment of the investment value in or in respect of other receivables from the subsidiary company is required.

Our conclusion on the Statement is not modified in respect of the above matter.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
UDIN: 23127355BGWIMY7758

Place: Mumbai
Date: November 06, 2023

To,
The Board of Directors
Camlin Fine Sciences Limited
G.S. Point, Plot No. VIII, C.S.T. Road,
Private Layout Scheme, Kalina,
Santacruz- (East), Mumbai-400098

LIMITED REVIEW REPORT

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Camlin Fine Sciences Limited (“the Parent Company”), and its subsidiaries (the Parent Company and its subsidiaries together referred to as “the Group”) for the quarter ended September 30, 2023, and for the period from April 01, 2023 to September 30, 2023 (“the Statement”), attached herewith, being submitted by the Parent Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (“the SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“the Listing Regulations”).
2. This Statement, which is the responsibility of the Parent Company’s Management and approved by the Parent Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ‘Interim Financial Reporting’ (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, ‘*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*’, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following subsidiaries:
 - i. CFS Europe S.p.A.
 - ii. CFS Do Brasil Industria Comercio Importacao E Exportacao De Aditivos Alimenticios LTDA
 - iii. Solentus North America Inc
 - iv. CFS North America LLC
 - v. Dresen Quimica, S.A.P.I. de C.V.
 - vi. Inovel, S.A.S.
 - vii. Industrias Petrotec de Mexico S.A de C.V.
 - viii. Nuvel, S.A.C.
 - ix. Britec, S.A.

- x. Grinel, S.R.L.
 - xi. Chemolutions Chemicals Ltd.
 - xii. CFS Wanglong Flavors (Ningbo) Co. Ltd.
 - xiii. CFS Argentina S.A.
 - xiv. CFS Chile De S.p.A
 - xv. CFS Pahang Asia Pte Ltd.
 - xvi. AlgalR NutraPharma Private Limited
 - xvii. CFS De Mexico Blends S.A.P.I. DE C.V
 - xviii. CFS PP (M) SDN. BHD.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

6. We draw attention to Note 6 of the Statement, relating to the decision of the Supreme People's Court of China ("Honorable Court") which has imposed penalty amounting to RMB 159.32 million i.e. INR 18,167.26 Lakhs on the JV partner in the subsidiary company and others for alleged infringement of intellectual property used in the manufacturing process. An amount of RMB 11.15 million i.e. INR 1,271.43 Lakhs which is 7% of the total penalty imposed is attributed to the subsidiary i.e. CFS Wanglong Flavors (Ningbo) Co. Ltd. As a matter of abundant legal caution, the subsidiary company has stopped the production at facility till further directions of the Honorable Court. As per the terms of the shareholders' agreement dated April 28, 2017, and amendments made thereafter, the Company and its subsidiary company are indemnified against penalty and/or legal consequences emanating from the violation of the IP rights. As a co-defendant with the JV Partner, the subsidiary company has preferred an application for retrial of the aforesaid order before Honorable Court which was heard in the month October 2021, the decision thereof is awaited. In the opinion of the Parent Company's Management, based on the above and for reasons as more fully discussed in the aforesaid note, no impairment of cash generating unit of the said subsidiary or on goodwill on consolidation in respect of the said subsidiary company is required.

Our conclusion on the Statement is not modified in respect of the above matter.

Other Matters

7. We did not review the interim financial results of twelve subsidiaries incorporated outside India and two subsidiaries in India included in the Statement, whose interim financial results reflects Group's share of total assets of Rs. 1,20,019.21 Lakhs as at September 30, 2023 and Group's share of total revenues of Rs. 27,068.98 Lakhs and Rs. 59,988.20 Lakhs for the quarter and for the period from April 01, 2023 to September 30, 2023, respectively, Group's share of total net profit / (loss) after tax of Rs. (1,555.43) Lakhs and Rs. (926.53) Lakhs and total comprehensive income of Rs. (1,753.71) Lakhs and Rs. (1,050.83) Lakhs for the quarter and for the period from April 01, 2023 to September 30, 2023, respectively, and Cash flow (net inflow) of Rs. 366.40 Lakhs for the period from April 01, 2023 to September 30, 2023. These interim financial results have been reviewed by other auditors

whose reports have been furnished to us by the Parent Company's Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

In respect of these subsidiaries located outside India whose interim financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which has been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent Company's Management has converted the interim financial results of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India (Indian Accounting Standards "Ind AS"). We have reviewed these conversion adjustments made by the Parent Company's Management. Our conclusion in so far as it relates to the amounts and disclosures included in respect of such subsidiaries located outside India is based on the report of the other auditors and the conversion adjustments prepared by the Management of the Parent Company and reviewed by us.

Our conclusion on the Statement is not modified in respect of the above matter.

8. The Statement includes interim financial results of four subsidiaries incorporated outside India which have not been reviewed and have been included on the basis of the Unaudited Management Accounts, whose interim financial results reflect Group's share of total assets of Rs. 1,964.65 Lakhs as at September 30, 2023 and Group's share of total revenues of Rs. 514.77 Lakhs and Rs. 1,296.96 Lakhs for the quarter and for the period from April 01, 2023 to September 30, 2023, respectively, Group's share of total net profit after tax of Rs. (537.75) Lakhs and Rs. (704.53) Lakhs and total comprehensive income of Rs. (448.19) Lakhs and Rs. (522.44) Lakhs for the quarter and for the period from April 01, 2023 to September 30, 2023, respectively, and Cash flow (net outflow) of Rs. 205.58 Lakhs for the period from April 01, 2023 and September 30, 2023. These interim financial results have been furnished to us by the Parent Company's Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such interim financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
UDIN: 23127355BGWIMZ3265

Place: Mumbai
Dated: November 06, 2023

Independent Auditor's *Report*

**TO THE MEMBERS OF
CAMLIN FINE SCIENCES LIMITED**

Report on the Audit of the Consolidated Ind-AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind-AS Financial Statements of **CAMLIN FINE SCIENCES LIMITED** (hereinafter referred to as the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Ind-AS Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind-AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors referred to in the Other Matters paragraph below, the aforesaid consolidated 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 with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, of consolidated loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Ind-AS Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated Ind-AS financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 39 to the Consolidated Ind-AS Financial Statements, relating to Impairment of Investment in and Assets of CFS Wanglong Flavors (Ningbo) Co., Ltd. (CFSWL) (a subsidiary Company). The Supreme People's Court of China ("Honorable Court") had imposed a penalty amounting to RMB 159.32 million i.e. ₹ 18,543.25 Lakh on the JV partner in the subsidiary company and others for alleged infringement of intellectual property used in the manufacturing process. An amount of RMB 11.15 million i.e. ₹ 1,297.75 Lakh which is 7% of the total penalty imposed was attributed to the subsidiary. As a matter of abundant legal caution, the subsidiary company had stopped the production facility till further directions of the Honorable Court. As per the terms of the shareholders' agreement dated April 28, 2017, and

amendments made thereafter, the Holding Company and its subsidiary company are indemnified against penalty and/or legal consequences emanating from the violation of the intellectual property rights. During the quarter ended March 31, 2024, the JV Partner has represented to the Holding Company that they have arrived at an out of Court Settlement with the litigant regarding the infringement of intellectual property. The said settlement, inter alia:

- (a) precludes any punitive action against the subsidiary company and also absolves it from payment of any penalty under the original judgement,
- (b) precludes the subsidiary company from manufacturing Methyl Vanillin in China, and
- (c) allows the subsidiary company to manufacture, market and sell any product other than Methyl Vanillin, in China at the facility owned by the subsidiary company.

The Board of Directors of the Holding Company had already approved a plan to use the aforesaid facility to manufacture Heliotropin, an aromatic product which is downstream of Catechol. As of March 31, 2024, the Company has evaluated the carrying value of its investments in and receivables from its subsidiary company by considering certain factors which are more fully discussed in the aforesaid note and assessed the same for impairment test.

The outcome arising on such impairment assessment as at March 31, 2024, resulted in impairment provision aggregating to ₹ 2,700.84 lakh in its Consolidated Ind-AS Financial Statements comprising of impairment of Goodwill ₹ 571.63 lakh, Inventories and Receivables (net of payables) ₹ 549.15 lakh and Property, Plant and Equipment ₹ 1,580.06 lakh.

Our opinion on the consolidated Ind-AS financial statements is not modified in respect of the above matter.

Information Other than the Consolidated Ind-AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, namely Financial Highlights, Directors' Report, Report on Corporate Governance and Business Responsibility and Sustainability Report but does not include the consolidated Ind-AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind-AS 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 Ind-AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind-AS 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind-AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind-AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in

equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind-AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind-AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind-AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 Ind-AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the consolidated Ind AS 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.
- (b) 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- (d) 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 ability of the Group 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 Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the consolidated Ind-AS financial statements, including the disclosures, and whether the consolidated Ind-AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind-AS financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated Ind-AS financial statements of such entities included in the consolidated Ind-AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind-AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind-AS financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Matters:

1. We did not audit the financial statements of twelve subsidiaries incorporated outside India and two subsidiaries in India included in the consolidated Ind-AS financial statements, whose financial statements reflect total asset of ₹ 1,12,076.44 lakh as at March 31, 2024, total revenue of ₹ 1,11,675.95 lakh and net cash flows amounting to ₹ (1,454.60) lakh for the year ended on that date, as considered

in the consolidated Ind-AS financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind-AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

The subsidiaries which are incorporated outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries incorporated outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India (Indian Accounting Standards 'Ind AS'). We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the amounts and disclosures included in respect of such subsidiaries incorporated outside India is based on the report of the other auditors and the conversion adjustments made by the Holding Company's Management and audited by us.

2. We did not audit the financial statements of four subsidiaries incorporated outside India, whose financial statements reflect total assets of ₹ 1,870.44 lakh as at March 31, 2024, total revenues of ₹ 2,593.96 lakh and net cash flows amounting to ₹ (205.94) lakh for the year ended on that date, as considered in the consolidated Ind-AS financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind-AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind-AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, and on the consideration of the report of the other auditor as noted in the Other Matters paragraph above 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 consolidated Ind-AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind-AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (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 relevant books of account maintained for the purpose of preparation of the consolidated Ind-AS financial statements.

- (d) In our opinion, the aforesaid consolidated Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2024, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2024, from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in **“Annexure A”**.
- (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 (“the Rules”), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors, as noted in the Other Matters paragraph above:
 - i. The consolidated Ind-AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 41.I to the consolidated Ind-AS financial statements.
 - ii. The Group did not have any long-term contracts during the year ended March 31, 2024, for which there were any material foreseeable losses. Derivative contracts are appropriately dealt with in the books of account.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2024.
 - iv. The respective Management of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the auditors of such subsidiaries respectively that;
 - (a) to the best of their knowledge and belief, other than as disclosed in the Note 48(5) to the consolidated Ind-AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) to the best of their knowledge and belief, other than as disclosed in the Note 48(6) to the consolidated Ind-AS financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, 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.

Based on such audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Rules, as provided under (a) and (b) above, contain any material misstatement.

- v. As per information and explanations represented by Management and based on the records of the Holding Company and based on the consideration of the reports of the other auditors, as noted in the Other Matters paragraph above, the Holding Company and its subsidiary companies incorporated in India have not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in respect of one of the subsidiary company, accounting software had no audit trail (edit log) facility from April 1, 2023 to December 17, 2023. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.

As proviso of Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

- 2. In our opinion and according to information and explanations given to us and based on the consideration of the reports of the other auditors, as noted in the Other Matters paragraph above, where applicable, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.

3. According to the information and explanations given to us, and based on Companies (Auditor's Report) Order, 2020 ("the CARO") report issued by the component auditors of two subsidiary companies included in the consolidated Ind-AS financial statements of the Company, to which reporting under CARO is applicable, in respect of a subsidiary, the details of the company and the paragraph numbers of the CARO report containing the qualifications or adverse remarks is tabulated as under:

Name	CIN	Holding / Subsidiary	Clause number of the CARO report which is qualified or adverse
AlgalR Nutraceuticals Private Limited	U74900TN2014PTC096649	Subsidiary	vii (a)

**For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/W100166
FARHAD M. BHESANIA**

**PARTNER
Membership Number: 127355
UDIN: 24127355BKBHZZ4438**

Place: Mumbai
Date: May 20, 2024

Annexure A to the Independent Auditor's *Report*

Referred to in Para 1 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the consolidated Ind-AS financial statements for the year ended March 31, 2024.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **CAMLIN FINE SCIENCES LIMITED** ("the Holding Company") and its subsidiaries, which are companies incorporated in India, as of March 31, 2024 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries, which are incorporated in India, are 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 (the "Guidance Note") 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 the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiaries company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 internal financial controls system with reference to the financial statement of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind-AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 Ind-AS 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 Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with respect to financial statements 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 Holding Company and its subsidiaries which are companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the subsidiaries which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
UDIN: 24127355BKBHZZ4438

Place: Mumbai
Date: May 20, 2024

Consolidated Balance Sheet

as at March 31, 2024

₹ (in Lakh)			
Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2(a)	71,224.24	75,251.60
Capital Work-in-Progress	2(b)	4,556.45	4,083.62
Right of Use Assets	3(a)	4,452.13	4,108.44
Goodwill	39	4,707.66	5,279.29
Intangible Assets	4(a)	1,250.75	1,122.28
Intangible Assets under development	4(b)	30.51	218.55
Financial Assets			
Investments	5	787.58	795.88
Other Financial Assets	6	1,387.79	1,662.41
Deferred Tax Assets (Net)	7	4,050.32	2,997.51
Income Tax Assets	8	2,117.52	1,257.73
Other Non-Current Assets	9	540.75	450.70
Total Non-Current Assets		95,105.70	97,228.01
Current Assets			
Inventories	10	51,270.41	56,814.39
Financial Assets			
Trade Receivables	11	28,515.16	30,458.89
Cash and Cash Equivalents	12	8,025.47	9,374.24
Bank Balances other than Cash and Cash Equivalents	13	1,327.79	548.57
Loans	14	1,006.13	1,013.95
Other Financial Assets	15	180.93	414.00
Other Current Assets	16	9,533.62	9,950.63
Total Current Assets		99,859.51	108,574.67
Assets Held For Sale	17	207.19	207.19
TOTAL ASSETS		195,172.40	206,009.87
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	1,674.65	1,570.93
Other Equity	19	84,800.43	80,366.47
Non-Controlling Interests	20	(780.04)	471.04
Total Equity		85,695.04	82,408.44
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	21	33,271.85	40,809.53
Lease Liabilities	3(b)	1,715.99	1,433.06
Other Financial Liabilities	22	33.05	29.64
Provisions	23	510.63	481.47
Deferred Tax Liabilities (Net)	7	683.70	1,510.42
Other Non-Current Liabilities	24	34.66	38.60
Total Non-Current Liabilities		36,249.88	44,302.72
Current Liabilities			
Financial Liabilities			
Borrowings	25	32,493.91	37,149.10
Lease Liabilities	3(b)	821.39	662.70
Trade Payables	26		
(A) Total outstanding dues of Micro Enterprises and Small Enterprises		3,878.27	1,614.01
(B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		28,585.64	27,221.07
Other Financial Liabilities	27	3,193.46	6,392.14
Other Current Liabilities	28	3,278.43	3,786.10
Provisions	29	957.79	1,048.61
Current Tax Liabilities	30	18.59	1,424.98
Total Current Liabilities		73,227.48	79,298.71
Total Liabilities		109,477.36	123,601.43
TOTAL EQUITY AND LIABILITIES		195,172.40	206,009.87
Material Accounting Policies			

The accompanying notes 1 to 50 form an integral part of the Consolidated Financial Statements

As per our Report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number: 127355

Mumbai, Dated: May 20, 2024

Signatures to the Consolidated Balance Sheet and Notes to Consolidated Financial Statements

For and on behalf of the Board

Ashish Dandekar
 Chairman & Managing Director
 DIN: 01077379

Santosh Parab
 Chief Financial Officer

Mumbai, Dated: May 20, 2024

Nirmal Momaya
 Managing Director
 DIN: 01641934

Rahul Sawale
 Company Secretary & VP - Legal
 Membership Number: A 29314

Consolidated Statement of Profit & Loss

for the year ended March 31, 2024

Particulars	Notes	₹ (in Lakh)	
		For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME			
Revenue from Operations	31	161,306.20	168,156.40
Other Income	32	1,555.64	579.93
Total Income		162,861.84	168,736.33
EXPENSES			
Cost of Materials Consumed	33	74,661.46	85,557.32
Purchases of Stock-in-Trade		11,425.87	6,070.82
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	34	5,274.78	(10,304.99)
Employee Benefits Expense	35	17,874.77	16,262.09
Finance Costs	36	6,030.49	5,850.48
Depreciation and Amortisation Expense	37	7,860.61	6,251.21
Other Expenses	38	44,677.81	50,043.86
Total Expenses		167,805.79	159,730.79
(Loss) / Profit before exceptional items and tax		(4,943.95)	9,005.54
Exceptional Items	39	4,980.40	967.84
(Loss) / Profit Before Tax		(9,924.35)	8,037.70
Tax Expense			
Current tax	7(b)	2,487.23	2,867.78
Deferred tax	7(b)	(1,924.07)	1,188.88
Total Tax Expense		563.16	4,056.66
(Loss) / Profit for the Year		(10,487.51)	3,981.04
Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plans		(9.07)	(93.35)
Income Tax relating to items that will not be reclassified to Profit or Loss	7(c)	2.98	30.55
(B) Items that will be reclassified to Profit or Loss			
Exchange differences in translating the financial statements of foreign operations		1,801.40	2,095.02
The effective portion of gains and losses on hedging instruments in a cash flow hedge		1.70	(13.94)
Income Tax relating to items that will be reclassified to Profit or Loss	7(c)	(0.60)	4.87
Total Other Comprehensive Income for the Year		1,796.41	2,023.15
Total Comprehensive Income for the Year		(8,691.10)	6,004.19
(Loss) / Profit for the Year attributable to:			
Owners of the Company		(9,275.34)	5,210.64
Non-Controlling Interests		(1,212.17)	(1,229.60)
Total Other Comprehensive Income for the Year attributable to:			
Owners of the Company		1,835.36	2,034.40
Non-Controlling Interests		(38.95)	(11.25)
Total Comprehensive Income for the Year attributable to:			
Owners of the Company		(7,439.98)	7,245.04
Non-Controlling Interests		(1,251.12)	(1,240.85)
Earnings per Equity Share (Face Value ₹ 1 each)	40		
Basic		(5.58)	3.45
Diluted		(5.50)	3.41
Material Accounting Policies	1		

The accompanying notes 1 to 50 form an integral part of the Consolidated Financial Statements

As per our Report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number: 127355

Mumbai, Dated: May 20, 2024

Signatures to the Consolidated Statement of Profit and Loss and Notes to Consolidated Financial Statements

For and on behalf of the Board

Ashish Dandekar
Chairman & Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Mumbai, Dated: May 20, 2024

Nirmal Momaya
Managing Director
DIN: 01641934

Rahul Sawale
Company Secretary & VP - Legal
Membership Number: A 29314

Consolidated Statement of *Cash Flows*

for the year ended March 31, 2024

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow from Operating Activities		
(Loss)/Profit Before Tax	(9,924.35)	8,037.70
Adjustment for:		
Depreciation and amortisation expense	7,860.61	6,251.21
Finance costs	6,030.49	5,850.48
Foreign exchange loss / (gain) (unrealised)	3,656.76	(887.74)
Loss on sale of Property, Plant & Equipment	14.52	6.49
Provision for impairment in the value of assets	4,980.40	967.84
Allowance / (Reversal) for credit loss	(196.98)	312.74
Allowance for doubtful advances	2.12	141.51
Expenses / (reversal) recognised in respect of equity settled share based payments	0.90	235.91
Provision for defined benefit plans and compensated absences	506.54	250.57
Interest income	(122.89)	(73.19)
Hyperinflationary effect on Consolidated Statement of Profit and Loss	(535.10)	(75.71)
Revaluation of inventory	3,681.08	-
Net gain arising on financial liabilities measured at Fair Value Through Profit or Loss (FVTPL)	(469.65)	(29.66)
Operating Profit before working capital changes	15,484.45	20,988.15
Adjustment for:		
Increase/(Decrease) in Non financial liabilities	(1,085.47)	309.60
Increase/(Decrease) in Financial liabilities	67.03	3,358.68
(Increase)/Decrease in Non financial assets	1,063.53	(20,575.73)
(Increase)/Decrease in Financial assets	3,122.05	3,028.78
Cash generated from operations	18,651.59	7,109.48
Taxes paid (net)	(4,753.41)	(2,019.66)
Net cash flow from operating activities	13,898.18	5,089.82
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment	(6,057.56)	(14,430.87)
Sale of Property, Plant & Equipment	55.80	90.09
Sale/ (Purchase) of non-current investments	8.30	(73.33)
Loans given to others	-	(1,005.47)
Maturity of / (Investment in) fixed deposit	(779.22)	2,883.83
Interest received	122.89	73.19
Net Cash Flows used in investing activities	(6,649.79)	(12,462.56)

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow from Financing Activities		
Proceeds from issue of equity shares under Employee Stock Option Scheme / Plan	58.04	54.63
Proceeds from / (Repayment of) long term borrowings (net)	2,503.49	8,084.25
Proceeds from / (Repayment of) short term borrowings (net)	17.81	5,227.37
Payment of lease liabilities	(1,085.53)	(821.73)
Interest paid	(7,277.90)	(5,193.63)
Payment of preferred dividend	(2,813.07)	(1,385.08)
Net cash flow (used in) / from Financing Activities	(8,597.16)	5,965.81
Net decrease in Cash & Cash Equivalents	(1,348.77)	(1,406.92)
Cash & Cash Equivalents at the beginning of the year	9,374.24	10,781.16
Cash & Cash Equivalents at the end of year	8,025.47	9,374.24

Notes:

- (a) The above Consolidated Statement of Cash Flows has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.
- (b) Cash and Cash Equivalents comprises of :

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in current accounts	8,016.30	9,365.94
Cash on hand	9.17	8.30
Cash and cash equivalents in Consolidated Statement of Cash Flows	8,025.47	9,374.24

As per our Report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number: 127355

Mumbai, Dated: May 20, 2024

Signatures to the Consolidated Statement of Cash Flows and Notes to Consolidated Financial Statements

For and on behalf of the Board

Ashish Dandekar
Chairman & Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Mumbai, Dated: May 20, 2024

Nirmal Momaya
Managing Director
DIN: 01641934

Rahul Sawale
Company Secretary & VP - Legal
Membership Number: A 29314

Consolidated Statement of

Changes in Equity

for the year ended March 31, 2024

A) EQUITY SHARE CAPITAL

Particulars	₹ (in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the reporting year	1,570.93	1,569.84
Issued pursuant to exercise of Employee Stock Options	1.13	1.09
Issued pursuant to conversion of Foreign Currency Convertible Bonds (FCCBs)	102.59	-
Changes in equity share capital during the year	103.72	1.09
Balance at the end of the reporting year	1,674.65	1,570.93

B) OTHER EQUITY

Particulars	₹ (in Lakh)														
	Equity Component of Foreign Currency Convertible Bonds (FCCBs)	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Employee Stock Option Outstanding	General Reserve	Retained Earnings	Revaluation Surplus	Foreign Currency Translation Reserve (FCTR)	Effective portion of Cash Flow hedges	Loss on change in proportion held by non-controlling interests	Reserve for conversion on FCCBs	Total before Non-Controlling Interest	Total after Non-Controlling Interest	
Balance as at March 31, 2022	330.97	2,220.05	1,080.63	38,187.22	1,219.50	2,536.29	23,242.70	8,258.05	1,070.68	-	(4,922.53)	-	73,223.56	1,711.91	74,935.47
Profit for the year	-	-	-	-	-	-	5,210.64	-	-	-	-	-	5,210.64	-	5,210.64
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	(62.80)	-	-	-	-	-	(62.80)	-	(62.80)
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	2,091.82	-	-	-	2,091.82	-	2,091.82
Effective portion of Cash Flow Hedges	-	-	-	-	-	-	-	-	-	(9.07)	-	-	(9.07)	-	(9.07)
Total Comprehensive Income for the year	-	-	-	-	-	-	5,147.84	-	2,091.82	(9.07)	-	-	7,230.59	-	7,230.59
Issue of Equity Shares pursuant to exercise of Employee Stock Options (ESOP)	-	-	-	53.53	-	-	-	-	-	-	-	-	53.53	-	53.53
Fair valuation of share based payments	-	-	-	-	235.91	-	-	-	-	-	-	-	235.91	-	235.91
Transferred to Securities Premium	-	-	-	24.73	(24.73)	-	-	-	-	-	-	-	-	-	-
Depreciation on revaluation of assets transferred to retained earnings	-	-	-	-	-	-	1,873.93	(1,873.93)	-	-	-	-	-	-	-
Movement in Loss on change in proportion held by non-controlling interests	-	-	-	-	-	-	-	-	-	-	(377.12)	-	(377.12)	-	(377.12)
Movement in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,240.87)	(1,240.87)
Balance as at March 31, 2023	330.97	2,220.05	1,080.63	38,265.48	1,430.68	2,536.29	30,264.47	6,384.12	3,162.50	(9.07)	(5,299.65)	-	80,366.47	471.04	80,837.51

Particulars	Equity Component of Foreign Currency Convertible Bonds (FCCBs)	Reserves and Surplus					Revaluation Surplus	Foreign Currency Translation Reserve (FCTR)	Effective portion of Cash Flow hedges	Loss on change in proportion held by non-controlling interests	Reserve for conversion on FCCBs	Total before Non-Controlling Interest	Non-Controlling Interest	Total after Non-Controlling Interest
		Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Employee Stock Option Outstanding	General Reserve								
Loss for the year	-	-	-	-	-	(9,275.34)	-	-	-	-	(9,275.34)	-	(9,275.34)	
Remeasurement of Defined Benefit Plans	-	-	-	-	-	(6.09)	-	-	-	-	(6.09)	-	(6.09)	
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	1,843.57	-	-	-	1,843.57	-	1,843.57	
Effective portion of Cash Flow Hedges	-	-	-	-	-	-	-	1.10	-	-	-	-	1.10	
Total Comprehensive Income for the year	-	-	-	-	-	(9,281.43)	-	1,843.57	1.10	-	(7,436.76)	-	(7,436.76)	
Issue of Equity Shares pursuant to exercise of Employee Stock Options (ESOP)	-	-	-	-	56.91	-	-	-	-	-	56.91	-	56.91	
Issue of Equity Shares pursuant to conversion of FCCBs	-	-	-	-	10,669.35	-	-	-	-	-	10,669.35	-	10,669.35	
Fair valuation of Share Based Payments	-	-	-	-	-	-	-	-	-	-	0.92	-	0.92	
Transferred to Securities Premium	-	-	-	-	30.44	-	-	-	-	-	-	-	-	
Transferred to Retained Earnings	-	-	-	-	(5.72)	-	-	-	-	-	-	-	-	
Depreciation on revaluation of assets transferred to retained earnings	-	-	-	-	-	1,893.04	(1,893.04)	-	-	-	-	-	-	
Movement in Loss on change in proportion held by non-controlling interests	-	-	-	-	-	-	-	-	(526.13)	-	(526.13)	-	(526.13)	
Reserve on conversion of FCCBs	-	-	-	-	-	-	-	-	-	1,669.67	1,669.67	-	1,669.67	
Movement in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	(1,251.08)	(1,251.08)	
Balance as at March 31, 2024	330.97	2,220.05	1,080.63	1,395.44	49,022.18	22,881.80	4,491.08	5,006.07	(7.97)	(5,825.78)	1,669.67	(780.04)	84,020.39	

The accompanying notes 1 to 50 form an integral part of the Consolidated Financial Statements

As per our Report of even date

Signatures to the Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements

For and on behalf of the Board

**For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS**

Firm Registration Number: 104607W/W100166

Nirmal Momaya
Managing Director
DIN: 01641934

**FARHAD M. BHESANIA
PARTNER
Membership Number: 127355**

Ashish Dandekar
Chairman & Managing Director
DIN: 01077379

Rahul Sawale
Company Secretary & VP – Legal
Membership Number: A 29314

Mumbai, Dated: May 20, 2024

Mumbai, Dated: May 20, 2024

Notes to the Consolidated

Financial Statements

for the year ended March 31, 2024

NOTE 1 : Material Accounting Policies

A. Group Overview:

Camlin Fine Sciences Limited (“the Holding Company”) including its subsidiaries, collectively referred to as “the Group” is engaged in research, development, manufacturing and marketing of speciality chemicals, ingredients and additive blends. The Holding Company is a public listed Company incorporated and domiciled in India having its registered office at Floor 2 to 5, In G.S. Point, CST Road, Kalina, Santacruz (East) Mumbai 400 098. The Holding Company is listed on BSE Limited and National Stock Exchange of India Ltd.

The Financial Statements of the Group for the year ended March 31, 2024 are approved by the Board of Directors on May 20, 2024.

B. Basis of Preparation of Consolidated Financial Statements

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Amendment Rules as amended from time to time. The Group’s Financial Statements for the year ended March 31, 2024 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows, Statement of Changes in Equity and the Notes to Consolidated Financial Statements.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

Functional and Presentation Currency

The financial statements are presented in Indian rupee, which is the functional currency of the Holding Company. All financial information has been rounded to the nearest lakh, unless otherwise indicated.

a. Basis of Measurement

The Financial Statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for:

- certain financial assets and liabilities, including financial instruments which have been measured at fair value or amortised cost as described below.
- defined benefit plans which have been measured on the basis of actuarial valuation as required by relevant Ind ASs.
- financial statements of a subsidiary whose functional currency is the currency of hyperinflationary economy are stated in terms of the measuring unit at the end of the reporting period.

b. Key Accounting Estimates and Judgements:

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities, are included in the following notes:

- (i) Determination of the estimated useful lives of property, plant and equipment and intangible assets.
- (ii) Recognition and measurement of defined benefit obligations, key actuarial assumptions.
- (iii) Fair valuation of employee share options, key assumptions made with respect to expected volatility and dividend yield.
- (iv) Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.
- (v) Recognition of deferred tax assets.
- (vi) Fair value of financial instruments, including derivative contracts and applicable discount rate.
- (vii) Impairment of financial and non-financial assets.
- (viii) Measurement of Lease Liabilities and Right of Use Assets.
- (ix) Key assumptions used in discounted cash flow projections.

c. Measurement of fair values

The Group's accounting policies and disclosures require the financial instruments to be measured at fair values.

The Group has an established control framework with respect to measurement of fair values. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusions that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

C. Recent Accounting Developments

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

D. Significant Accounting Policies

a. Business Combination

The Group accounts for each business combination (other than common control transactions) by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as of the applicable acquisition date at excess of the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (measured at fair value) of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised as capital reserve on consolidation.

Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets.

Put options issued to non-controlling interests are recognised as a liability and the subsequent changes in fair value of the put option liability are recognised in Consolidated Statement of Profit and Loss.

Common control transactions are accounted for based on pooling of interests method where the assets and liabilities of the acquiree are recorded at their existing carrying values, the identity of reserves of the acquiree is preserved and the difference between consideration and the face value of the share capital of the acquiree is adjusted with capital reserve on consolidation.

The financial information in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements irrespective of the actual date of the combination.

b. Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of Profit & Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in Consolidated Statement of profit or loss. Subsequently, it is accounted for as an equity-accounted investee depending on the level of influence retained.

c. Associates

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

d. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

e. Acquisition of non-controlling interests

Acquisition of some or all of the non-controlling interest ("NCI") is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the Holding company. The associated cash flows are classified as investing activities. No goodwill is recognised as a result of such transaction. Obligation to acquire non-controlling interests is regarded as a financial liability.

f. Basis of Consolidation

I Principles of consolidation

- (i) The consolidated financial statements relate to Camlin Fine Sciences Limited, its subsidiaries and an associate.
- (ii) Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over a subsidiary.
- (iii) The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are fully eliminated while preparing these consolidated financial statements.
- (iv) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company.
- (v) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their policies in line with the Group's accounting policies.

II Investments in Associate

An associate is an entity over which the Group has significant influence. Investment in associate is accounted by using the equity method of accounting, after initially being recognised at cost.

g. Property, Plant & Equipment

(i) Recognition and Measurement

Property, plant and equipment is initially measured at cost net of tax credit availed less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

When significant parts of Property, Plant and Equipment are required to be replaced, the

Group recognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly.

Revaluation of property, plant and equipment is made for a class of property, plant and equipment. Any increase in the carrying amount of property, plant and equipment is recognised (net of tax) in other comprehensive income and accumulated in equity under the heading revaluation surplus. The difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost is transferred from revaluation surplus to retained earnings.

(ii) Depreciation

Depreciable amount for property, plant and equipment is the cost of property, plant and equipment less its estimated residual value.

Depreciation is provided on Straight Line Method over the estimated useful lives of the property, plant and equipment prescribed under Schedule II to the Companies Act, 2013 on pro rata basis. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on internal technical evaluation.

The estimated useful lives, residual values and depreciation methods are reviewed by the management at each reporting date and adjusted if appropriate.

(iii) Disposal or Retirement

Property, plant and equipment are derecognised either on disposal or when no economic benefits are expected from its use. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised in the Consolidated Statement of Profit and Loss in the year of occurrence.

h. Capital Work In Progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/expansion is also treated as capital work in progress and capitalized along with the asset.

i. Leases

The Group assesses whether a contract contains a lease at the inception of the contract. Leases of assets (other than short term leases or leases for which the underlying asset is of low value) are recognised if the lease contract conveys the right to the Group to control the use of an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time, if throughout the period of lease, the Group has both of the following:

- a) The right to obtain substantially all of the economic benefits from use of the identified asset.
- b) The right to direct the use of the identified asset.

At the date of commencement of lease, the Group recognises a Right-Of-Use asset and a corresponding lease liability for all lease arrangements in which it is a lessee except for leases for a term of twelve months or less (short term leases) and low value leases. For short term leases and low value leases, the Group recognises the lease payments as an expense on a straight-line basis over the lease term. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

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. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of future lease payments. The lease payments are discounted using the incremental borrowing rate in the country of domicile of the leases. The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or if Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease Liabilities and Right-of-Use Asset have been presented separately in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

j. Intangible Assets

(i) Initial Recognition

Acquired Intangible Assets

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.

Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following conditions have been met:

- a) It is technically feasible to complete the intangible asset so that it will be available for use or sale.
- b) There is an intention to complete the asset.
- c) There is an ability to use or sell the asset.
- d) The asset will generate future economic benefits.
- e) Adequate resources are available to complete the development and to use or sell the

asset.

- f) The expenditure attributable to the intangible asset during development phase can be measured reliably.

Where no internally generated intangible asset can be recognised, the development expenditure is recognised in the Consolidated Statement of Profit and Loss in the period in which it is incurred.

(ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the Straight-Line Method over their estimated useful lives, and is recognised in Consolidated Statement of profit and loss.

Estimated useful lives by major class of intangible assets are as follows:

Software - 3 to 6 years

Technical know-how - 5 to 41 years

(iii) Derecognition

An item of intangible asset is derecognised either on disposal or when no economic benefits are expected from its use. The gain or loss arising from disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and recognised in the Consolidated Statement of Profit and Loss in the period of occurrence.

k. Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

If the recoverable amount of asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of an asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

l. Investment in Associate (Equity accounted investees)

Investment in associate is accounted by using the equity method of accounting, after initially being recognised at cost. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate

subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in associate, the difference between net disposal proceeds and the carrying amounts are recognized in the Consolidated Statement of Profit and Loss.

m. Financial Instruments

A financial instrument is any contract that gives rise to financial asset of one entity and financial liability or equity instrument of another entity.

I. Financial Assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

(i) Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

(ii) Subsequent measurement and classification

For the purpose of subsequent measurement, the financial assets are classified into three categories on the basis of its business model for managing the financial assets

- Financial assets at amortised cost
- Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)
- Financial assets at Fair Value Through Profit or Loss (FVTPL)

(iii) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold assets for collecting contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment, if any. The EIR amortisation is included in other income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

(iv) Financial asset at Fair Value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income (FVTOCI) if it 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.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Interest income measured using the EIR method and impairment losses, if any are recognised in the Consolidated Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from equity to 'other income' in the Consolidated Statement of Profit and Loss.

(v) Financial Asset at Fair Value through profit or loss (FVPTL)

A financial asset which are not classified in any of the above categories are measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Consolidated Statement of Profit and Loss.

(vi) Financial Assets as Equity Investments

All equity instruments other than investment in associate are initially measured at fair value; the Group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. A fair value change on an equity instrument is recognised as other income in the Consolidated Statement of Profit and Loss unless the Group has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Consolidated Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Consolidated Statement of Profit and Loss.

(vii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(viii) Impairment of Financial Assets

The Group recognizes loss allowance using the Expected Credit Loss (ECL) model for financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an

amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The application of simplified approach does not require the Group to track changes in credit risk.

II. Financial Liabilities

(i) Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost except hybrid instruments with embedded derivatives where the embedded derivative cannot be measured separately either at inception or at the end of a subsequent reporting financial period in which case it is measured at Fair Value Through Profit or Loss. In case the embedded derivatives can be separated, the same is measured at Fair Value Through Profit or Loss and the host contract is measured at amortised cost.

(ii) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

(iii) Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised.

(iv) Compound financial instruments

Compound financial instruments issued by the Holding Company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, FCCB being a hybrid contract, if the embedded derivative can be separated and measured, then the same is measured at fair value and designated as FVTPL, while the remaining liability component is subsequently measured at amortised cost using Effective Interest Rate method. The equity component of a compound financial instrument is not remeasured subsequently.

(v) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

III. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(i) Cash flow hedge

The Group classifies foreign exchange forward contracts that hedge foreign currency risk associated with highly probable forecast transactions as cash flow hedge and measures them at fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss, and is included in the 'Other income/expenses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion (as described above) are reclassified to the consolidated profit or loss in the periods when the hedged item affects consolidated profit or loss, in the same line as the recognised hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no

longer qualifies for hedge accounting. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised in profit or loss.

(ii) Fair value hedge

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

IV. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

- V.** Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

n. Inventories

Inventories are valued at lower of cost and net realizable value. Costs are computed on weighted average basis and are net of GST credits.

Raw materials, packing materials and stores: Cost includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition.

Finished Goods and Work in Progress: In case of manufactured inventories and work in progress, cost includes all costs of purchase, an appropriate share of production overheads based on the normal operating capacity and other costs incurred in bringing the inventories to the present location and condition. In case of joint products, the costs are allocated on a rational and consistent basis.

Net Realizable Value: Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

o. Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Balance Sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flow, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

p. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ii) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(iii) Contingent Assets

Contingent Assets are not recognised in the Consolidated Financial Statements. Contingent Assets if any, are disclosed in the notes to the Consolidated Financial Statements.

q. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated.

r. Revenue Recognition

(i) Sale of Goods

- Revenue from the domestic sales are recognised net of returns and allowances, trade discounts and volume rebates upon delivery which is when the control of the goods passes to the Customer and performance obligation is met at a point in time.
- Revenue from the export sales are recognised net of returns and allowances, trade discounts and volume rebates upon delivery, usually on the basis of dates of bill of lading which is when the control of the goods passes to the Customer and performance obligation is met at a point in time.

(ii) Sale of services

Revenue is recognised from sale of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. In case of services rendered by the Holding Company pertaining to scaling of production process, engineering assistance, pilot projecting etc, revenue is recognised when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts.

(iii) Export Incentives

Revenue from export incentives are accounted on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

(iv) Interest Income

- (a) Interest income is recognized as the interest accrues (using the effective interest rate, that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).
- b) Interest income on fixed deposits with banks is recognised on time basis.

(v) Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

s. Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

(i) Short term employee benefits:

Liabilities for wages, salaries, bonus and medical benefits including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Consolidated balance sheet.

(ii) Post-Employment Benefits:

Defined Contribution Plans

Payments to defined contribution plans for eligible employees in the form of superannuation fund and the Company's contribution to Provident Fund are recognised as an expense in the Consolidated Statement of Profit and Loss as the related service is provided.

Defined Benefit Plans

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in current and prior periods, after discounting the same. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. The defined benefit obligation recognised in the Consolidated Balance Sheet represent the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any defined benefit asset (negative defined benefit obligation resulting from this calculation) representing the present value of available refunds and reductions in future contributions to the plan is recognised.

All expenses represented by current service cost, past service cost, if any, and net interest expense / (income) on the net defined benefit liability / (asset) are recognised in the Consolidated Statement of Profit and Loss. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses are recognised immediately in Other Comprehensive Income (OCI).

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

Other long term employee benefits represent liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the service. These liabilities are measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Re-measurements are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise. Actuarial gains and losses in respect of such benefits are charged to the Consolidated Statement of Profit and Loss in the period in which they arise.

t. Share-Based Payment

Employees Stock Options Plans (“ESOPs”): The fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under “Employee Stock Options Outstanding”.

u. Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The benefit of loans or similar assistance provided by governments or related institutions, with an interest rate below the current applicable market rate is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the consolidated statement of profit and loss in the period in which they become receivable.

v. Borrowing Cost

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs also include exchange differences on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs pertaining to the period from commencement of activities relating to the construction / development of qualifying asset till the time all activities necessary to prepare the qualifying asset for its intended use or sale are complete are capitalised. Any income earned from temporary investment of borrowed funds is deducted from borrowing costs incurred.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready to its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

w. Foreign Currency Transactions / Translations

Transactions in foreign currencies are initially recorded at the functional currency spot rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies and remaining unsettled at the reporting date are translated into the functional currency at the exchange rate prevailing on the reporting date.

Non- monetary items that are measured based on historical cost in a foreign currency are not translated.

Exchange differences arising on settlement of transactions or translation of monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in the previous financial statements are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise except for exchange differences recognised as a part of qualifying assets.

In case of foreign operations whose functional currency is different from the Holding Company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognised in Other Comprehensive Income / (Loss) and accumulated within equity as a part of Foreign Currency Translation Reserve (FCTR). The financial statements of a subsidiary whose functional currency is the currency of hyperinflationary economy, the inflation effects of origin country are recognised and subsequently translated into reporting currency. When a foreign operation is disposed of, in part or in full, the relevant amount in FCTR is transferred to the Consolidated Statement of Profit and Loss.

x. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

(i) Current Tax

Current tax is determined as the amount of tax payable or recoverable in respect of taxable income or loss for the year and any adjustment to the tax payable in respect of previous

years. It is measured using tax rates that are enacted or substantively enacted at the reporting date.

In case of Indian entities, Minimum Alternate Tax (MAT) is accounted as current tax when these entities are subjected to such provisions of the Income Tax Act, 1961. However, credit of such MAT paid is available when these entities are subject to tax as per normal provisions in the future.

Current tax assets and liabilities are offset only if, the Group:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are amounts of income taxes in future periods in respect of deductible temporary differences, unused tax losses, and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

MAT (Minimum Alternate Tax) credit is recognised as an asset only when, and to the extent, there is convincing evidence that the Group will pay normal income tax during the specified period and the said is created by way of credit to the Consolidated Statement of Profit and

Loss and shown as MAT credit entitlement. The Group reviews carrying amount of MAT credit at each reporting date and writes down the same to the extent that there is no longer convincing evidence to the effect that the Group will pay normal income tax during the period.

y. Recognition of effects of inflation in countries with hyperinflationary economic environment

The Group recognises the effect of inflation on the financial statements of a subsidiary that operates in hyperinflationary economic environment which consists of:

- using inflation factors to restate non-monetary assets such as inventories, property, plant and equipment including related costs and expenses when such assets are consumed or depreciated.
- applying inflation factors to restate capital stock, net income, retained earnings by the necessary amount to maintain the purchasing power equivalent in the currency of the country on the dates when such capital was contributed or income was generated upto the reporting date.
- include the gain or loss in consolidated statement of profit and loss.

The Group restates the financial information of subsidiary that operates in hyperinflationary economic environment using the general price index of the country.

z. Earnings per Share

Basic earnings per share are computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares outstanding during the year adjusted for the effect of all dilutive potential equity shares.

aa. Dividend

The Group recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Group on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

ab. Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) which is a single business segment in Speciality Chemicals.

ac. Events after the reporting period

When events occur after the reporting period provide evidence of the conditions that existed at the end of the reporting period, the impact of such events is adjusted in the financials statements. Otherwise, events after the reporting period of material size or nature are only disclosed.

2(a) PROPERTY, PLANT & EQUIPMENT

Particulars	₹ (in Lakh)									
	Freehold Land	Leasehold Improvement	Factory & Other Building	Site Development	Plant, Equipment & Machinery	Furniture & Fixtures	Vehicles	Computer / Hardware Cost	Total	
Gross Block										
Balance as at April 1, 2023	329.58	677.49	10,846.97	355.12	86,113.73	824.27	588.13	545.21	100,280.50	
Additions	-	111.61	155.58	-	3,658.01	105.11	72.63	93.92	4,196.86	
Deletions / Disposals	-	-	12.28	-	157.41	1.91	123.63	20.91	316.14	
Foreign currency translation difference	3.10	52.54	(13.56)	(2.52)	382.70	17.78	15.68	8.08	463.80	
Balance as at March 31, 2024	332.68	841.64	10,976.71	352.60	89,997.03	945.25	552.81	626.30	104,625.02	
Accumulated Depreciation										
Balance upto April 1, 2023	-	218.14	1,487.89	91.40	22,387.04	279.35	278.13	286.95	25,028.90	
Depreciation for the year (Refer Note 2.a.ii)	-	43.82	496.59	26.10	5,888.75	107.93	62.16	115.10	6,740.45	
Deletions / Disposals	-	-	3.59	-	130.81	1.89	97.47	12.06	245.82	
Impairment (Refer Note 39)	-	-	533.35	-	1,046.72	-	-	-	1,580.07	
Foreign currency translation difference	-	15.65	3.10	(1.75)	247.01	14.85	13.39	4.93	297.18	
Balance upto March 31, 2024	-	277.61	2,517.34	115.75	29,438.71	400.24	256.21	394.92	33,400.78	
Net Carrying Amount as at March 31, 2024	332.68	564.03	8,459.37	236.85	60,558.32	545.01	296.60	231.38	71,224.24	

Particulars	₹ (in Lakh)									
	Freehold Land	Leasehold Improvement	Factory & Other Building	Site Development	Plant, Equipment & Machinery	Furniture & Fixtures	Vehicles	Computer / Hardware Cost	Total	
Gross Block										
Balance as at April 1, 2022	311.65	587.68	7,176.71	348.54	56,830.95	964.86	404.12	499.59	67,124.10	
Additions	-	12.52	3,733.57	6.43	26,857.89	203.99	259.96	76.16	31,150.52	
Deletions / Disposals	-	12.28	196.72	-	53.24	346.13	97.89	75.54	781.80	
Foreign currency translation difference	17.93	89.57	133.41	0.15	2,478.13	1.55	21.94	45.00	2,787.68	
Balance as at March 31, 2023	329.58	677.49	10,846.97	355.12	86,113.73	824.27	588.13	545.21	100,280.50	
Accumulated Depreciation										
Balance upto April 1, 2022	-	143.58	1,228.38	64.90	16,504.44	520.13	239.97	239.34	18,940.74	
Depreciation for the year (Refer Note 2.a.ii)	-	53.57	376.80	26.42	4,495.02	89.19	65.05	94.09	5,200.14	
Deletions / Disposals	-	-	186.89	-	44.72	334.17	47.79	71.65	685.22	
Foreign currency translation difference	-	20.99	69.60	0.08	1,432.30	4.20	20.90	25.17	1,573.24	
Balance upto March 31, 2023	-	218.14	1,487.89	91.40	22,387.04	279.35	278.13	286.95	25,028.90	
Net Carrying Amount as at March 31, 2023	329.58	459.35	9,359.08	263.72	63,726.69	544.92	310.00	258.26	75,251.60	

2.a.i Refer Note 21.3, 21.5, 25.1.a, 25.2.a and 25.2.b for information on Property, Plant and Equipment pledged as security for borrowings.

2.a.ii Depreciation for the current year includes additional depreciation on account of revaluation in respect of plant, equipment and machinery in relation to subsidiary in Italy amounting to ₹ 1,893.04 lakh (2022-2023: ₹ 1,873.93 lakh).

2(b) CAPITAL WORK-IN-PROGRESS (CWIP)

₹ (in Lakh)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Capital Work-in-Progress	4,556.45	4,083.62
	4,556.45	4,083.62

2.b.i Capital Work-in-Progress includes ₹ Nil (2022-2023: ₹ 361.49 lakh) towards borrowing costs on general borrowing capitalised during the year. The average capitalisation rate for general borrowing for 2022-2023 was 9.02% p.a. Capital Work-in-Progress also includes ₹ Nil (2022-2023: ₹ 1,481.66 lakh) towards specific borrowing capitalised during the year. The capitalisation rate for 2022-2023 was 9.70% p.a.

2.b.ii Refer Note 41 (II) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

2.b.iii Capital Work-in-Progress Ageing Schedule

As at March 31, 2024

₹ (in Lakh)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2,578.04	796.42	745.82	436.17	4,556.45
	2,578.04	796.42	745.82	436.17	4,556.45

Projects in Progress as on March 31, 2024 include projects amounting to ₹ 1,260.60 lakh which have exceeded their original budgeted cost and / or expected time of completion. These projects are expected to be completed within 1 year.

As at March 31, 2023

₹ (in Lakh)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	1,774.93	1,839.27	420.57	48.85	4,083.62
	1,774.93	1,839.27	420.57	48.85	4,083.62

Projects in Progress as on March 31, 2023 include projects amounting to ₹ 702.69 lakh which had exceeded their original budgeted cost and / or expected time of completion. These projects are expected to be completed within 1 year.

3 RIGHT OF USE ASSETS

(a) Changes in the carrying value of right of use assets during the year ended March 31, 2024

₹ (in Lakh)

Particulars	Category of Asset					Total
	Land	Buildings	Plant & Machinery	Vehicles	Computer / Hardware Cost	
Balance as at April 1, 2023	2,152.24	1,636.83	76.90	105.17	137.30	4,108.44
Additions	-	540.15	567.15	134.40	17.75	1,259.45
Deletions / Disposals	-	-	-	(5.72)	-	(5.72)
Depreciation for the year	(59.58)	(684.79)	(98.34)	(71.86)	(31.19)	(945.76)
Foreign currency translation difference	(8.16)	41.33	-	2.55	-	35.72
Balance as at March 31, 2024	2,084.50	1,533.52	545.71	164.54	123.86	4,452.13

Changes in the carrying value of right of use assets during the year ended March 31, 2023

₹ (in Lakh)

Particulars	Category of Asset					Total
	Land	Buildings	Plant & Machinery	Vehicles	Computer / Hardware Cost	
Balance as at April 1, 2022	2,211.52	2,078.96	-	80.83	-	4,371.31
Additions	-	144.74	80.75	54.77	144.16	424.42
Deletions / Disposals	-	-	-	-	-	-
Depreciation for the year	(59.77)	(674.07)	(3.85)	(31.52)	(6.86)	(776.07)
Foreign currency translation difference	0.49	87.20	-	1.09	-	88.78
Balance as at March 31, 2023	2,152.24	1,636.83	76.90	105.17	137.30	4,108.44

(b) Movement in lease liabilities during the year ended March 31, 2024

₹ (in Lakh)

Particulars	Category of Asset					Total
	Land	Buildings	Plant & Machinery	Vehicles	Computer / Hardware Cost	
Balance as at April 1, 2023	5.59	1,760.66	78.95	110.08	140.48	2,095.76
Additions	-	536.58	567.15	134.40	17.75	1,255.88
Deletions / Disposals	-	-	-	(5.89)	-	(5.89)
Interest incurred during the year	0.61	163.08	36.34	16.98	12.64	229.65
Payment of lease liabilities	(0.68)	(850.38)	(107.28)	(84.42)	(39.19)	(1,081.95)
Foreign currency translation difference	-	40.63	-	3.30	-	43.93
Balance as at March 31, 2024	5.52	1,650.57	575.16	174.45	131.68	2,537.38

Movement in lease liabilities during the year ended March 31, 2023

₹ (in Lakh)

Particulars	Category of Asset					Total
	Land	Buildings	Plant & Machinery	Vehicles	Computer / Hardware Cost	
Balance as at April 1, 2022	5.65	2,213.71	-	82.83	-	2,302.19
Additions	-	89.13	80.75	54.77	144.16	368.81
Deletions / Disposals	-	-	-	-	-	-
Interest incurred during the year	0.62	164.55	1.69	8.19	3.02	178.07
Payment of lease liabilities	(0.68)	(775.16)	(3.49)	(35.70)	(6.70)	(821.73)
Foreign currency translation difference	-	68.43	-	(0.01)	-	68.42
Balance as at March 31, 2023	5.59	1,760.66	78.95	110.08	140.48	2,095.76

(c) Contractual maturities of lease liabilities on an undiscounted basis

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	1,023.97	834.56
One to two years	905.29	667.16
Two to five years	1,004.36	942.34
More than five years	10.85	11.53
Total	2,944.47	2,455.59

(d) The Group has incurred ₹ 1,001.91 lakh (2022-2023: ₹ 887.17 lakh) towards short term leases (Refer Note 38)

4 (a) INTANGIBLE ASSETS

₹ (in Lakh)

Particulars	Software	Technical Know-How	Development Expenditure	R & D Process Development	Patents	Total
Gross Block						
Balance as at April 1, 2023	255.12	508.72	1,930.16	80.20	-	2,774.20
Additions	13.51	-	289.36	-	-	302.87
Deletions / Disposals	-	-	-	-	-	-
Impairment (Refer Note 39)	-	-	-	-	-	-
Foreign currency translation difference	2.21	-	13.75	-	-	15.96
Balance as at March 31, 2024	270.84	508.72	2,233.27	80.20	-	3,093.03
Accumulated Amortisation						
Balance upto April 1, 2023	196.54	203.02	1,172.16	80.20	-	1,651.92
Amortisation for the year	22.33	43.57	108.50	-	-	174.40
Deletions / Disposals	-	-	-	-	-	-
Impairment (Refer Note 39)	-	-	-	-	-	-
Foreign currency translation difference	1.07	-	14.89	-	-	15.96
Balance upto March 31, 2024	219.94	246.59	1,295.55	80.20	-	1,842.28
Net Carrying Amount as at March 31, 2024	50.90	262.13	937.72	-	-	1,250.75

₹ (in Lakh)

Particulars	Software	Technical Know-How	Development Expenditure	R & D Process Development	Patents	Total
Gross Block						
Balance as at April 1, 2022	250.26	508.72	1,847.37	80.20	2,141.08	4,827.63
Additions	23.08	-	-	-	-	23.08
Deletions / Disposals	18.80	-	-	-	-	18.80
Impairment (Refer Note 39)	-	-	-	-	2,150.76	2,150.76
Foreign currency translation difference	0.58	-	82.79	-	9.68	93.05
Balance as at March 31, 2023	255.12	508.72	1,930.16	80.20	-	2,774.20
Accumulated Amortisation						
Balance upto April 1, 2022	196.35	157.88	1,089.60	80.20	1,016.98	2,541.01
Amortisation for the year	18.21	45.14	50.34	-	161.31	275.00
Deletions / Disposals	18.80	-	-	-	-	18.80
Impairment (Refer Note 39)	-	-	-	-	1,182.92	1,182.92
Foreign currency translation difference	0.78	-	32.22	-	4.63	37.63
Balance upto March 31, 2023	196.54	203.02	1,172.16	80.20	-	1,651.92
Net Carrying Amount as at March 31, 2023	58.58	305.70	758.00	-	-	1,122.28

4 (b) INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULE

As at March 31, 2024

₹ (in Lakh)

Particulars	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	10.29	2.37	17.85	-	30.51
	10.29	2.37	17.85	-	30.51

As at March 31, 2023

₹ (in Lakh)

Particulars	Amount in Intangible Assets under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	200.70	17.85	-	-	218.55
	200.70	17.85	-	-	218.55

5 INVESTMENTS

₹ (in Lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments (Fully Paid) (At Cost)				
Unquoted				
(i) Subsidiaries				
Dresen Quimica, S.A.P.I de C.V (Refer Note 5.1)	-	615.15	-	615.15
(ii) Others				
Fine Renewable Energy Limited (of ₹ 10 each)	50,995	5.10	50,995	5.10
Ravenna Servizi Industrial Consortium (of EUR 1 each)	224,359	171.93	224,359	171.93
Unicredit Bank (of EUR 1 each)	-	-	10,000	8.30
Saraswat Co-Operative Bank Limited (of ₹ 10 each)	5,000	0.50	5,000	0.50
Total (ii)		177.53		185.83
(iii) Total (i+ii)		792.68		800.98
(iv) Provision for impairment in value of investments (Refer Note 5.2)		(5.10)		(5.10)
(v) Net Investments (iii-iv)		787.58		795.88
Aggregate amount of unquoted investments		787.58		795.88
Aggregate amount of impairment in value of investments		5.10		5.10

5.1 As per the amended shareholders agreement dated October 18, 2021 entered into by the Holding Company with the non-controlling shareholder of Dresen Quimica S.A.P.I. de C.V. (Dresen Quimica), on November 11, 2021, the Holding Company, through its wholly owned subsidiary CFS De Mexico Blends S.A.P.I. De C.V., had acquired 33.50% stake in Dresen Quimica (total stake of CFS group - 98.50%) for a total consideration of US\$ 8.50 million equivalent to ₹ 6,344.80 lakh. The balance 1.50% non-controlling interest was to extinguish on the payment of preferred dividend by Dresen Quimica over a period upto March 31, 2024 amounting to US\$ 4.623 million as escalated by 3% per annum from January 1, 2021 till the date of respective payments with no other participating rights in profits to the non-controlling interest from January 1, 2021. The aforesaid preferred dividend has been paid to the tune of US\$ 4.704 million (including escalated amount of US\$ 0.073 million) before March 31, 2024, of which US\$ 3.004 million was paid during the current financial year. Consequently, the balance stake of 1.50% was acquired for 8.385 million Mexican pesos (US \$ 0.506 million), which has resulted in making Dresen Quimica a wholly owned step down subsidiary of the Company.

With acquisition of balance non-controlling interest on or before March 31, 2024, the put option with the non-controlling shareholder which was exercisable, if the payments of preferred dividend are inadequate, has extinguished.

5.2 During the year, Fine Renewable Energy Limited has made an application to the Registrar of Companies, under Section 248 of the Companies Act, 2013, for removal of its name from the Register of Companies ('Register'). The application is under process as of date.

The provision for impairment in the value of investments represents the provision in respect of investments in Fine Renewable Energy Limited.

6 OTHER FINANCIAL ASSETS

Particulars	₹ (in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Security deposits	1,367.96	1,479.23
Derivative asset (Refer Note 6.1 and Note 15)	-	183.18
Balances with banks to the extent held as margin money or security against borrowings, guarantees and other commitments which have original maturity period of more than 12 months.	19.83	-
	1,387.79	1,662.41

6.1 The derivative asset amounting to ₹ Nil (March 31, 2023: ₹ 369.74 lakh) represents the embedded derivative portion of compound financial instrument i.e Foreign Currency Convertible Bonds (FCCBs). The Holding Company has measured the embedded derivative at FVTPL and the host contract has been accounted at amortised cost.

On May 11, 2023, the FCCB holder (International Finance Corporation) exercised its option to convert the FCCBs amounting to USD 15 million. 10,258,986 Equity shares were allotted by the Holding Company on May 12, 2023. The change in the carrying amount of the embedded derivative asset during the year till May 12, 2023 amounting to ₹ 469.54 lakh (2022-2023: ₹ 29.66 lakh) has been recognised in the Consolidated Statement of Profit and Loss (Refer Note 32(b)).

The derivative asset was extinguished on conversion of FCCBs into equity shares. The fair value of the derivative asset of ₹ 839.28 lakh as on May 12, 2023, has been recognised under 'Reserve on conversion of FCCBs' under Other Equity as per the provisions of IND AS 32 - Financial Instruments (Refer Note 19.10).

7 DEFERRED TAX ASSETS / (LIABILITIES) (NET)

a) Movement in Deferred Tax Balances

₹ (in Lakh)

Particulars	As at April 1, 2023		Movement during the year		As at March 31, 2024	
	Deferred Tax Assets / (Liabilities)	Deferred Tax Assets / (Liabilities)	Recognised in Consolidated Statement of Profit and Loss	Recognised in OCI	Deferred Tax Assets/ (Liabilities)	Deferred Tax Assets/ (Liabilities)
Deferred Tax Assets/ (Liabilities)						
Property, Plant and Equipment & Intangible Assets	(16.31)	(4,820.83)	(1,694.98)	-	(8.59)	(6,523.53)
Right of use assets	-	(438.72)	(213.59)	-	-	(652.31)
Lease liabilities	-	445.35	242.87	-	-	688.22
Provision for bad and doubtful debts and advances	(1.26)	480.83	(88.18)	-	(3.78)	395.17
Transaction costs (net) relating to borrowings	-	75.64	(5.74)	-	(0.01)	69.91
Employee benefits	(1.73)	356.39	16.64	2.98	(1.73)	376.01
Unabsorbed depreciation / losses	780.70	-	3,274.42	-	1,886.77	2,168.35
Items allowable for tax purposes on payment	264.00	-	285.70	-	549.70	-
Consolidation adjustments	1,371.18	-	(391.57)	-	979.61	-
Unutilised MAT credit	-	2,252.14	(139.57)	-	-	2,112.57
Indexation benefit on long term capital asset	-	59.68	5.54	-	-	65.22
Payable to Micro & Small Enterprises	-	-	667.67	-	-	667.67
Others	129.79	79.10	(35.14)	(0.60)	224.13	(50.98)
Exchange differences	471.14	-	-	-	424.22	-
Deferred Tax Assets/ (Liabilities)	2,997.51	(1,510.42)	1,924.07	2.38	4,050.32	(683.70)

Deferred Tax Asset has been recognised at INR 4,055.12 lakh (March 31, 2023: INR 780.70 lakh) based on the current sale contracts on hand, and the probable future taxable profits based on the budgets of the Group.

₹ (in Lakh)

Particulars	As at April 1, 2022		Movement during the year		As at March 31, 2023	
	Deferred Tax Assets / (Liabilities)	Deferred Tax Assets / (Liabilities)	Recognised in Consolidated Statement of Profit and Loss	Recognised in OCI	Deferred Tax Assets/ (Liabilities)	Deferred Tax Assets/ (Liabilities)
Deferred Tax Assets/ (Liabilities)						
Property, Plant and Equipment & Intangible Assets	(39.14)	(3,050.28)	(1,747.72)	-	(16.31)	(4,820.83)
Right of use assets	-	(436.51)	(2.21)	-	-	(438.72)
Lease liabilities	-	433.26	12.09	-	-	445.35
Provision for bad and doubtful debts and advances	474.09	286.41	(280.93)	-	(1.26)	480.83
Transaction costs (net) relating to borrowings	-	33.40	42.24	-	-	75.64
Employee benefits	3.73	325.99	(5.61)	30.55	(1.73)	356.39
Unabsorbed depreciation / losses	785.02	371.57	(375.89)	-	780.70	-
Items allowable for tax purposes on payment	300.15	-	(36.15)	-	264.00	-
Consolidation adjustments	1,594.49	-	(223.31)	-	1,371.18	-
Unutilised MAT credit	-	1,007.99	1,244.15	-	-	2,252.14
Indexation benefit on long term capital asset	-	-	59.68	-	-	59.68
Others	81.84	(2.60)	124.78	4.87	129.79	79.10
Exchange differences	437.87	-	-	-	471.14	-
Deferred Tax Assets/ (Liabilities)	3,638.05	(1,030.77)	(1,188.88)	35.42	2,997.51	(1,510.42)

Deferred Tax Asset has been recognised at INR 780.70 lakh (March 31, 2022: INR 1,156.59 lakh) based on the current sale contracts on hand, and the probable future taxable profits based on the budgets of the Group.

7 b) Tax expense recognised in Consolidated Statement of Profit and Loss

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax		
In respect of current year	2,487.23	2,785.81
In respect of prior year	-	81.97
	2,487.23	2,867.78
Deferred Tax		
Origination and reversal of tax on temporary differences	(2,063.64)	2,433.03
(Origination)/Utilisation of MAT Credit Entitlement	139.57	(1,244.15)
	(1,924.07)	1,188.88
Tax expense for the year	563.16	4,056.66

c) **Tax recognised in Other Comprehensive Income**

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Items that will not be reclassified to Profit and Loss		
Remeasurements of defined benefit plans	(2.98)	(30.55)
Items that will be reclassified to Profit and Loss		
The effective portion of gains and losses on hedging instruments in a cash flow hedge	0.60	(4.87)
Total	(2.38)	(35.42)

d) **Reconciliation of Effective Tax Rate**

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(Loss)/ Profit Before Tax	(9,924.35)	8,037.70
Statutory Indian Income Tax rate [#]	34.944%	34.944%
Expected Income Tax Expense	-	2,808.69
Tax effect of:		
Effect of income exempt from tax / non taxable on compliance of conditions	15.40	(1,262.95)
Effect of income chargeable at specified tax rates	(634.01)	(2,030.71)
Effect of expenses / provisions allowable / deductible in determining taxable profit	(437.56)	(309.92)
Effect of net additional / (reversal) of provision in respect of prior years	(181.61)	78.86
Effect of allowances on Property, Plant & Equipment / Intangible Assets and unabsorbed depreciation	(3,474.81)	2,152.28
Effect of unrecognised deferred tax assets	4,865.86	2,045.83
Others	409.89	574.58
Total Income Tax Expense	563.16	4,056.66

[#] The Holding Company has elected not to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for the current financial year. The tax rate applicable to the Company for the current financial year is 34.944%.

e) **Unrecognised tax items**

As at March 31, 2024, unrecognised deferred tax assets on account of tax losses for which no deferred tax assets is recognised is ₹ 7,754.69 lakh (March 31, 2023: ₹ 4,173.37 lakh) in various jurisdictions, which can be carried forward up to a specified period or indefinitely. The total unused tax losses as at March 31, 2024 is ₹ 28,965.47 lakh (March 31, 2023: ₹ 17,883.91 lakh).

8 INCOME TAX ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Tax and Tax Deducted at Source (Net of Provision for Tax)	2,117.52	1,257.73
	2,117.52	1,257.73

9 OTHER NON-CURRENT ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Capital advances	484.07	418.28
Prepaid expenses	56.68	32.42
Unsecured, credit impaired		
Capital advances	1.45	-
Less: Provision for credit impaired	(1.45)	-
	540.75	450.70

10 INVENTORIES

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials and Packing materials		
(i) in stock	24,446.27	24,009.35
(ii) in transit	4,847.70	2,769.37
Work-in-progress	8,414.29	10,323.39
Finished goods	13,032.98	15,348.52
Stock-in-trade	1,988.24	3,038.38
Stores and spares	1,272.65	1,325.38
	54,002.13	56,814.39
Less: Inventory impairment (Refer Note 10.4 and 10.5)	(2,731.72)	-
	51,270.41	56,814.39

10.1 Refer Note 21.3.(a) - 21.3.(g), 25.1.a, 25.2.a and 25.2.b for information on inventories pledged as security for borrowings.

10.2 The above amounts are net of provision in respect of write down towards slow moving and non moving inventories amounting to ₹ 515.91 lakh (2022-2023: ₹ 445.82 lakh). These are recognised as an expense under Note 33, 34 and 38.

10.3 The above amounts are net of provision in respect of write down of inventories of Catechol and downstream products to net realisable value amounting to ₹ 3,681.08 lakh (2022-2023: ₹ Nil). These are recognised as an expense under Note 33 & 34.

10.4 Inventory impairment includes ₹ 2,290.11 lakh (2022-2023: ₹ Nil) in respect of write down of inventories of catalyst and other materials at CFS Europe S.p.A to net realisable value. This has been disclosed as an exceptional item under Note 39(I).

10.5 Inventory impairment also includes ₹ 441.61 lakh (2022-2023: ₹ Nil) in respect of write down of inventories of raw materials and work-in-progress at CFS Wanglong Flavors (Ningbo) Co., Ltd. to net realisable value. This has been disclosed as an exceptional item under Note 39(II).

11 TRADE RECEIVABLES

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
Considered good (Refer Note 11.1)	28,741.04	30,981.23
Less: Loss Allowance (Refer Note 11.3)	(225.88)	(522.34)
	28,515.16	30,458.89
Which have significant increase in credit risk	-	2,655.50
Less: Loss Allowance (Refer Note 11.3)	-	(2,655.50)
	-	-
Credit impaired	225.50	5.63
Less: Loss Allowance (Refer Note 11.3)	(225.50)	(5.63)
	-	-
	28,515.16	30,458.89

11.1 Includes ₹ 195.41 lakh (March 31, 2023: ₹ 228.88 lakh) from related parties. (Refer Note 42(III)(1))

11.2 Details of ageing of gross amount of trade receivables outstanding from the due date of payment

As at March 31, 2024

₹ (in Lakh)

Particulars	Not Due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, considered good	20,957.14	6,110.31	434.79	34.74	30.08	1,064.06	28,631.12
Disputed, considered good	-	-	9.02	23.18	2.56	75.16	109.92
Undisputed, credit impaired	-	-	-	-	122.15	103.35	225.50
	20,957.14	6,110.31	443.81	57.92	154.79	1,242.57	28,966.54

As at March 31, 2023

₹ (in Lakh)

Particulars	Not Due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, considered good	24,843.67	4,171.10	174.83	90.24	428.99	1,201.72	30,910.55
Disputed, considered good	-	-	-	-	-	70.68	70.68
Disputed, which have significant increase in credit risk	-	-	-	-	-	2,655.50	2,655.50
Disputed, credit impaired	-	-	-	-	-	5.63	5.63
	24,843.67	4,171.10	174.83	90.24	428.99	3,933.53	33,642.36

11.3 Details of loss allowance

The Group has used practical expedient by computing expected credit loss allowance for trade receivables by taking into consideration historical credit loss experience and adjusted for forward looking information. The expected credit loss is calculated on the basis of ageing of the days the receivables are due and the expected credit loss rate.

The movement in loss allowance is as follows:

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	3,183.47	2,774.62
Add: Created during the year	116.49	312.74
Less: Released / reversed during the year	(2,863.48)	(63.90)
Add / (Less):- Effect of foreign currency translation differences	14.90	160.01
Balance as at end of the year	451.38	3,183.47

11.4 The carrying amount of trade receivables include receivables discounted with banks, which are with re-course to the Group. Accordingly, the Group continues to recognise the transferred receivables in its Consolidated Balance Sheet. The carrying amount of these receivables is ₹ 106.64 lakh (March 31, 2023: ₹ 754.80 lakh). The corresponding carrying amount of associated liabilities are recognised as short term borrowings. (Refer Note 25.2.b and 25.3.a)

12 CASH AND CASH EQUIVALENTS

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in current accounts	8,016.30	9,365.94
Cash on hand	9.17	8.30
	8,025.47	9,374.24

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks (Refer Note 13.1)	-	7.36
Balances with banks to the extent held as margin money or security against borrowings, guarantees and other commitments which have original maturity period of more than three months but less than 12 months.	1,327.79	541.21
	1,327.79	548.57

13.1 Earmarked balances with banks refers to balance carried in designated bank accounts towards unclaimed dividend.

14 LOANS

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured, considered good		
Loans to others	1,000.00	1,000.00
Unsecured, considered good		
Loans to employees	6.13	13.95
	1,006.13	1,013.95

14.1 No loans are due from Directors or other officers of the Holding Company either severally or jointly with any other person or amount due by firms or private companies in which any director is a partner, a director or a member.

15 OTHER FINANCIAL ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Security deposits	83.57	82.66
Derivative asset (Refer Note 6.1)	-	186.56
Others	97.36	144.78
Unsecured, credit impaired		
Security deposits	66.08	66.08
Less: Provision for credit impaired	(66.08)	(66.08)
	180.93	414.00

16 OTHER CURRENT ASSETS

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advances to vendors	1,352.65	640.24
Prepaid expenses	826.70	1,138.83
Balance with Statutory/Government Authorities	7,034.71	7,713.96
Others (Refer Note 41.1)	319.56	457.60
Unsecured, credit impaired		
Advances to vendors	431.24	430.57
Less: Provision for credit impaired	(431.24)	(430.57)
	9,533.62	9,950.63

17 ASSETS CLASSIFIED AS HELD FOR SALE

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Freehold land	207.19	207.19

17.1 The Holding Company intends to dispose off freehold land situated at Pali in the next 12 months. This land was not utilised by the Holding Company for its operations. No impairment loss was recognised neither on reclassification of the land as held for sale nor as at reporting date, as the management expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

18 EQUITY SHARE CAPITAL

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Authorised		
180,000,000 Equity Shares of ₹ 1 each (March 31, 2023: 180,000,000 Equity Shares of ₹ 1 each)	1,800.00	1,800.00
	1,800.00	1,800.00
b) Issued, Subscribed and Paid - up		
167,465,207 Equity Shares of ₹ 1 each (March 31, 2023: 157,093,496 Equity Shares of ₹ 1 each).	1,674.65	1,570.93
	1,674.65	1,570.93

c) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	₹ (in Lakh)	No. of Shares	₹ (in Lakh)
Equity Shares				
Outstanding at the beginning of the year	157,093,496	1,570.93	156,984,246	1,569.84
Add: Issued pursuant to exercise of employee stock options	112,725	1.13	109,250	1.09
Add: Issued pursuant to conversion of Foreign Currency Convertible Bonds (FCCBs) (Refer Note 18(g))	10,258,986	102.59	-	-
Outstanding at the end of the year	167,465,207	1,674.65	157,093,496	1,570.93

d) Rights, preferences and restrictions attached to Equity Shares

The Holding Company has only one class of shares having par value of ₹ 1 per share. Each holder of Equity Shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Holding Company, the holders of Equity Shares are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

e) Shareholders holding more than 5% Equity Shares as at the end of the year

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% held	No. of Shares	% held
Infinity Direct Holdings	20,688,600	12.35	25,500,000	16.23
Ashish Subhash Dandekar	19,648,650	11.73	14,837,250	9.44
Anfima NV	11,082,161	6.62	-	-
Infinity Holdings	10,663,586	6.37	10,663,586	6.79
ICICI Prudential Smallcap Fund	-	-	9,673,633	6.16
SBI Flexicap Fund	-	-	8,554,216	5.45
	62,082,997	37.07	69,228,685	44.07

f) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

- i) The Holding Company has 4,500,000 (March 31, 2023: 4,500,000) Equity Shares reserved for issue under Employee Stock Option Plan, 2021 as at March 31, 2024. As on March 31, 2024, the Holding Company has not issued grant letters to any eligible employees under the said plan.
- ii) The Holding Company has 4,400,000 (March 31, 2023: 4,400,000) Equity Shares reserved for issue under Employee Stock Option Plan, 2020 as at March 31, 2024. As at March 31, 2024, the Holding Company has issued grant letters for 3,912,096 options to eligible employees under the said plan. 3,899,596 options (March 31, 2023: 3,912,096) are unexercised as at March 31, 2024 (Refer Note 35.2.1 for terms of employee stock options).
- iii) The Holding Company has 1,500,000 (March 31, 2023: 1,500,000) Equity Shares reserved for issue under Employee Stock Option Scheme, 2018 as at March 31, 2024. As at March 31, 2024, the Holding Company has issued grant letters for 621,000 options under the said scheme. 181,275 options (March 31, 2023: 201,500) are unexercised as at March 31, 2024 (Refer Note 35.2.2 for terms of employee stock options).

g) Terms of any securities convertible / converted into equity shares issued along with earliest date of conversion

As at March 31, 2023, the Holding Company had 10,258,986 Equity Shares reserved towards conversion of FCCBs (Refer Note 21.1 for terms of FCCBs) at a conversion price of ₹ 105 per share. The FCCBs were converted during the year on May 12, 2023 and 10,258,986 fully paid-up Equity Shares of face value of ₹ 1 per equity share were issued.

h) Shareholding of promoters as at the end of the year and percentage change during the year

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023		% change during the year [#]	As at March 31, 2022		% change during the year [*]
	No. of Shares	% held	No. of Shares	% held		No. of Shares	% held	
Infinity Direct Holdings	20,688,600	12.35%	-	-	12.35%	-	-	-
Ashish Subhash Dandekar	19,648,650	11.73%	14,837,250	9.44%	2.29%	14,060,400	8.96%	0.48%
Anfima NV	11,082,161	6.62%	-	-	6.62%	-	-	-
Infinity Holdings	10,663,586	6.37%	-	-	6.37%	-	-	-
Infinity Direct Holdings Sidecar I	5,541,074	3.31%	-	-	3.31%	-	-	-
Camart Finance Ltd.	5,319,360	3.18%	5,319,360	3.39%	(0.21%)	5,319,360	3.39%	-
Vibha Agencies Pvt. Ltd.	2,606,340	1.56%	2,606,340	1.66%	(0.10%)	2,606,340	1.66%	-
Anagha Subhash Dandekar	2,293,906	1.37%	2,293,906	1.46%	(0.09%)	1,517,056	0.97%	0.49%
Cafco Consultants Limited	1,497,600	0.89%	1,497,600	0.95%	(0.06%)	1,497,600	0.95%	-
Subhash Digambar Dandekar	1,016,000	0.61%	1,016,000	0.65%	(0.04%)	1,016,000	0.65%	-
Radha Pandit	69,650	0.04%	-	-	0.04%	-	-	-
Anand Y Pandit	8,842	0.01%	-	-	0.01%	-	-	-
S D Dandekar (HUF)	-	-	-	-	-	1,028,900	0.66%	(0.66%)
Rajani Subhash Dandekar	-	-	-	-	-	524,800	0.33%	(0.33%)
M K Falcon Agro Tech Pvt. Ltd.	-	-	-	-	-	-	-	-
	80,435,769	48.04%	27,570,456	17.55%		27,570,456	17.57%	

[#]Pursuant to shares issued on conversion of FCCBs, open offer made during the year and exercise of employee stock options.

^{*}Pursuant to shares issued on exercise of employee stock options.

i) Open Offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI (SAST) Regulations)

On April 17, 2023, Infinity Direct Holdings (“Acquirer 1”) and Infinity Direct Holdings Sidecar I (“Acquirer 2”) (collectively referred to as the “Acquirers”) along with Infinity Holdings (“PAC 1”), Anfima Nv (“PAC 2”) and one of the promoters of the Company, Mr. Ashish Dandekar (“PAC 3”), in the capacity of persons acting in concert (collectively referred to as “PACs”) have entered into the Voting and Cooperation Agreement which sets out the common objective of the Acquirers and PACs, on and from the completion of the Open Offer and payment of the Offer Price to the Eligible Public Shareholders who have tendered their Equity Shares in the Open Offer at a price of ₹ 160/- (Rupees One Hundred Sixty Only) per Offer Share (“Offer Price”) as per the SEBI (SAST) Regulations, of pooling their shares and voting rights in the Company together in order to jointly exercise control over the Company by:

- (i) cooperating with each other in the acquisition of shares and voting rights in the Company,

- (ii) consulting with each other in respect of any (intended) transfers of their equity shares of the Company,
- (iii) consulting each other and coordinating the exercise of their respective voting rights in any shareholders' resolution or shareholders' meeting of the Company, and
- (iv) consulting with each other regarding the composition of board of directors of the Company ("Board") and the nomination of representatives on the Board.

As a result of this and pursuant to the Open Offer, the Acquirers and PAC 1 and PAC 2 were classified as persons acting in concert with PAC 3 and each of the Acquirers, PAC 1 and PAC 2 were classified as promoters of the Company and formed part of the promoter group of the Company, thereby exercising joint control over the Company.

19 OTHER EQUITY

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Equity component of Foreign Currency Convertible Bonds (FCCBs) (Refer Note 19.1)	330.97	330.97
Capital Reserve (Refer Note 19.2)	2,220.05	2,220.05
Capital Reserve on Consolidation (Refer Note 19.3)	1,080.63	1,080.63
Securities Premium (Refer Note 19.4)		
Opening Balance	38,265.48	38,187.22
Issue of equity shares pursuant to exercise of employee stock options	56.91	53.53
Issue of equity shares pursuant to conversion of Foreign Currency Convertible Bonds	10,669.35	-
Transferred from Employee Stock Option Outstanding	30.44	24.73
Closing Balance	49,022.18	38,265.48
Employee Stock Option Outstanding (Refer Note 19.5)		
Opening Balance	1,430.68	1,219.50
Additions during the year	0.92	235.91
Transferred to Securities Premium	(30.44)	(24.73)
Transferred to Retained Earnings	(5.72)	-
Closing Balance	1,395.44	1,430.68
General Reserve (Refer Note 19.6)	2,536.29	2,536.29
Retained Earnings		
Opening Balance	30,264.47	23,242.70
(Loss)/ Profit for the Year	(9,275.34)	5,210.64
Remeasurement of defined employee benefit plan	(6.09)	(62.80)
Depreciation for the year on revaluation of assets transferred from revaluation surplus	1,893.04	1,873.93
Transferred from Employee Stock Option Outstanding	5.72	-
Closing Balance	22,881.80	30,264.47

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Revaluation Surplus (Refer Note 19.7)		
Opening Balance	6,384.12	8,258.05
Depreciation for the year on revaluation of assets transferred to retained earnings	(1,893.04)	(1,873.93)
Closing Balance	4,491.08	6,384.12
Foreign Currency Translation Reserve		
Opening Balance	3,162.50	1,070.68
Additions during the Year	1,843.57	2,091.82
Closing Balance	5,006.07	3,162.50
Effective portion of Cash Flow Hedges (Refer Note 19.8)		
Opening Balance	(9.07)	-
Additions/(Reversals) during the year	1.10	(9.07)
Effective portion of Cash Flow Hedges	(7.97)	(9.07)
Loss on change in proportion held by non-controlling interests (Refer Note 19.9)	(5,825.78)	(5,299.65)
Reserve on conversion of FCCBs (Refer 19.10)	1,669.67	-
	84,800.43	80,366.47

Nature and Purpose of Reserves :

19.1 Equity component of Foreign Currency Convertible Bonds (FCCBs)

At the time of initial recognition, FCCBs issued by the Holding Company are split into equity and liability component and presented under other equity and non-current financial liabilities respectively.

19.2 Capital Reserve

- i. Capital Reserve comprises of amount received pursuant to preferential share warrants forfeited by the Holding Company on account of warrants not exercised by the allottees.
- ii Capital reserve also includes a non-distributable profit reserve for EUR 78,903 (₹ 53.92 lakh) being subordinated to the collection of a receivable due from one supplier of CFS Europe S.p.A. and approved in accordance with a resolution passed by the shareholders of CFS Europe S.p.A.

19.3 Capital Reserve on Consolidation

Gain on bargain purchase, i.e. excess of fair value of net assets acquired over the fair value of consideration in a business combination is recognised as Capital Reserve on Consolidation.

19.4 Securities Premium

The Securities premium account has been created to record the premium on issue of Equity Shares.

19.5 Employee Stock Option Outstanding

The Holding Company has Employee Stock Option Plan / Scheme under which options to subscribe to the Holding Company's shares have been given to certain employees of the Group. This reserve is used to recognise the value of equity settled share based payments provided to the employees, including Key Management Personnel, as a part of their remuneration.

The addition to Employee Stock Options Outstanding during the year is on account of CFS Employees' Stock Option Scheme, 2018 and CFS Employees' Stock Option Plan, 2020.

19.6 General Reserve

General Reserve is created from time to time by way of transfer of profits from Retained Earnings.

19.7 Revaluation Surplus

During the financial year ended March 31, 2021, CFS Europe SpA, a wholly owned subsidiary of the Holding Company had revalued a class of assets, being plant and machinery of diphenol plant based on the certificate issued by an independent approved valuer. Consequently, the said assets are stated at revalued amount of ₹ 16,526.76 lakh as against the cost of ₹ 6,194.88 lakh. The surplus on revaluation amounting to ₹ 10,021.92 lakh (net of tax payable of ₹ 309.96 lakh) was accounted through Revaluation Surplus.

The difference, during the year, between depreciation based on the revalued carrying amount and based on the original cost of the plant & machinery amounting to ₹ 1,893.04 lakh has been transferred to retained earnings.

19.8 Effective portion of Cash Flow Hedges

The Group uses foreign exchange forward contracts as part of its risk management policy for managing foreign currency risk. The effective portion of change in the fair value of forward contracts classified as cash flow hedges is recognised in other comprehensive income and accumulated in other equity under cash flow hedge reserve.

19.9 Loss on change in proportion held by non-controlling interest

Further to Note 5.1, in terms of provisions of Ind AS 110, the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid, is to be attributed to the owners' equity. Accordingly, difference amounting to ₹ 1,101.47 lakh has been adjusted under 'Other Equity'.

Further to Note 5.1 and in terms of the provisions of Ind AS 110, the obligation to acquire non-controlling interests, valued at the unpaid portion of the preferred dividend as escalated by 3% per annum till March 31, 2023, is a financial liability. The aforesaid financial liability has been recognised and disclosed under Note 27 and the corresponding impact has been adjusted and disclosed under Other Equity.

19.10 Reserve on conversion of FCCBs

On May 11, 2023, International Finance Corporation exercised its option to convert the Foreign Currency Convertible Bonds (FCCBs) amounting to USD 15 million into 10,258,986 equity shares of face value of ₹ 1 each of the company at the conversion price of ₹ 105 per equity share which were allotted on May 12, 2023. As per the provisions of IND AS 32 - Financial Instruments, the amortised value of the FCCBs of ₹ 13,280.89 lakh and the fair value of the derivative of ₹ 839.28 lakh both as on May 12, 2023, have been recognised as follows:

- a) ₹ 102.59 lakh being 10,258,986 equity shares of ₹ 1 each under 'Equity Share Capital',
- b) ₹ 10,669.35 lakh being 10,258,986 equity shares of ₹ 104 each under 'Securities Premium Account' and
- c) The balance amount of ₹ 1,669.67 lakh under 'Reserve on conversion of FCCBs' under Other Equity.

20 NON-CONTROLLING INTERESTS

20.1 The details of Non-Controlling Interests in Subsidiaries are provided below:

₹ (in Lakh)

Name of the subsidiary	Country of Incorporation	Share of Non-Controlling Interests		Loss allocated to Non-Controlling Interests during the year		Accumulated Non-Controlling Interests	
		As at March 31, 2024	As at March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
Dresen Quimica S.A.P.I. de C.V. (Dresen Quimica)	Mexico	-	1.50%	-	-	-	-
Chemolutions Chemicals Limited	India	5.92%	5.92%	(7.01)	0.45	16.23	23.24
CFS Wanglong Flavors (Ningbo) Co. Ltd.	China	49.00%	49.00%	(1,135.78)	(1,174.88)	(451.11)	723.59
CFS Pahang Asia Pte Ltd.	Singapore	49.00%	49.00%	(1.61)	(1.88)	9.61	11.21
AlgalR Nutraceuticals Private Limited	India	20.00%	20.00%	(67.77)	(53.29)	(354.77)	(287.00)
CFS PP (M) SDN. BHD.#	Malaysia	49.00%	49.00%	-	-	-	-
				(1,212.17)	(1,229.60)	(780.04)	471.04

#There are no operations in the Company during the year. No amount towards subscription of shares has been remitted as on March 31, 2024.

20.2 Movement of Non-Controlling Interests

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	471.04	1,711.91
Share of Loss for the year	(1,212.17)	(1,229.60)
Effect of foreign currency translation differences	(38.91)	(11.27)
Balance at the end of the year	(780.04)	471.04

20.3 The summarised financial information of subsidiaries with non-controlling interests are as follows:

The summarised financial information of subsidiaries below represents amounts before intra group eliminations.

₹ (in Lakh)

Particulars	Dresen Quimica S.A.P.I. de C.V.*		Chemolutions Chemicals Limited		CFS Wanglong Flavours (Ningbo) Co. Ltd.		CFS Pahang Asia Pte. Ltd.		Algair Nutrpharms Private Limited	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Non-current assets	-	4,777.17	63.57	116.21	4,564.15	7,919.84	1.48	1.48	387.05	347.53
Current assets	-	27,358.03	229.18	345.42	7,983.02	8,745.68	20.54	23.82	214.35	163.84
Non-current liabilities	-	1,601.05	-	3.22	864.25	832.01	-	-	1,547.04	1,131.78
Current liabilities	-	8,375.07	7.13	54.36	13,933.91	13,427.92	2.67	2.67	198.21	184.02
Equity attributable to the owners	-	22,159.08	269.39	380.81	(1,799.88)	1,682.00	9.74	11.42	(789.08)	(517.43)
Non-controlling interests	-	-	16.23	23.24	(451.11)	723.59	9.61	11.21	(354.77)	(287.00)
Total income	-	35,424.66	0.42	154.26	1.09	14.55	-	-	191.84	208.72
Total expenses	-	31,124.39	104.91	142.33	1,674.76	2,103.80	3.29	3.84	530.75	480.86
Exceptional item (Refer Note 39)	-	-	-	-	2,700.84	967.84	-	-	-	-
Profit / (loss) for the year	-	3,120.78	(118.44)	7.63	(4,409.01)	(2,467.21)	(3.29)	(3.84)	(338.91)	(272.14)
Profit / (loss) attributable to owners of the Company	-	3,120.78	(111.43)	7.18	(3,273.23)	(1,292.33)	(1.68)	(1.96)	(271.14)	(218.85)
Profit / (loss) attributable to non-controlling interests	-	-	(7.01)	0.45	(1,135.78)	(1,174.88)	(1.61)	(1.88)	(67.77)	(53.29)

*The details of non-controlling interests and summarised financial information for Dresen Quimica S.A.P.I. de C.V. shown above are consolidated results of Dresen Quimica and its five subsidiaries.

21 BORROWINGS

₹ (in Lakh)

Particulars		As at March 31, 2024		As at March 31, 2023	
		Non-current	Current	Non-current	Current
I	Foreign Currency Convertible Bonds - Unsecured (Refer Note 21.1)	-	-	6,614.58	6,839.05
II	Term Loans				
(a)	From Banks - Secured				
(i)	In Foreign Currency (Refer Note 21.2)	4,554.26	1,555.55	6,156.53	1,547.63
(ii)	In Rupees (Refer Note 21.3)	3,519.99	1,062.64	2,144.46	1,032.13
(b)	From Banks - Unsecured				
	In Foreign Currency (Refer Note 21.4)	6,080.54	3,996.99	5,024.35	3,038.52
(c)	From Others - Secured				
	In Foreign Currency (Refer Note 21.5)	18,710.81	2,532.57	20,472.07	1,363.42
(d)	From Others - Unsecured				
	In Foreign Currency (Refer Note 21.6)	406.25	-	397.54	-
		33,271.85	9,147.75	40,809.53	13,820.75

21.1 Foreign Currency Convertible Bonds - Unsecured

Foreign Currency Convertible Bonds (FCCBs) denominated in USD carried at ₹ 13,453.63 lakh as at March 31, 2023 represent 30 unsecured, unlisted and unrated FCCBs of US\$ 5,00,000 each aggregating to US\$ 15,000,000. FCCBs are convertible into Holding Company's fully paid equity shares of ₹ 1 each at a conversion price of ₹ 105 per share at the option of the bond holder. If the conversion option is not exercised by the bond holder, the amount is payable in two equal instalments at the end of September 14, 2023 and September 14, 2024. The simple interest at the rate of 5.5% per annum from October 29, 2021 (4.5% per annum from inception upto October 28, 2021) is payable semi-annually on the outstanding amount of FCCBs, compound interest at the rate of 1% per annum from October 29, 2021 (2% per annum from inception upto October 28, 2021) and additional interest at the rate of 0.5% shall accrue on semi-annual basis and be payable in two equal instalments on the 5th and 6th anniversary of the FCCB subscription date. These Bonds were converted during the year and 10,258,986 Equity Shares were issued on May 12, 2023.

21.2 Term Loans from Banks in Foreign Currency - Secured

- ₹ Nil (March 31, 2023: ₹ 162.56 lakh) pertains to subsidiary in Brazil secured against trade receivables. The loan is repaid during the year.
- ₹ Nil (March 31, 2023: ₹ 162.31 lakh) pertains to subsidiary in Brazil secured against trade receivables. The loan is repaid during the year.

- c) ₹ 1,319.48 lakh (March 31, 2023: ₹ 1,660.42 lakh) pertains to subsidiary in Mexico secured by pledge of 100% equity shares of Dresen Quimica S.A.P.I. de C.V. held by the Holding Company and held by CFS De Mexico Blends S.A.,P.I. DE C.V. (CFS Blends). Further secured by corporate guarantee of the Holding Company to the extent of US\$ 2.53 million. The loan is repayable in remaining 15 structured quarterly instalments by November 2027. The current interest rate is at a spread of 320 basis points over 3 month USD SOFR.
- d) ₹ 4,790.33 lakh (March 31, 2023: 5,718.87 lakh) pertains to subsidiary in Mexico secured by pledge of 100% equity shares of Dresen Quimica S.A.P.I. de C.V. held by the Holding Company and held by CFS Blends. 100% equity shares of CFS Blends held by the Holding Company to be pledged in respect of the aforesaid loan. Further secured by corporate guarantee of the Holding Company to the extent of US\$ 8.65 million. The loan is repayable in remaining 15 structured quarterly instalments by November 2027. The current interest rate is at a spread of 320 basis points over 3 month USD SOFR.

21.3 Term Loans from Banks in Rupees - Secured

- a) ₹ 747.35 lakh (March 31, 2023: ₹ 1,121.15 lakh) secured by first pari passu charge by way of hypothecation of inventories and book debts of the Holding Company along with other working capital lenders. Further secured by first pari passu charge by an equitable mortgage on entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in remaining 24 monthly instalments by March 2026. The current interest rate is at a spread of 60 basis points over 1 year EBLR.
- b) ₹ 317.81 lakh (March 31, 2023: ₹ 459.06 lakh) secured by first pari passu charge by way of hypothecation of inventories and book debts of the Holding Company along with other working capital lenders. Further secured by first pari passu charge by an equitable mortgage on entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in remaining 27 monthly instalments by June 2026. The current interest rate is at a spread of 100 basis points over 1 year MCLR.
- c) ₹ 773.78 lakh (March 31, 2023: ₹ 1,187.10 lakh) secured by first pari passu charge by way of hypothecation of inventories and book debts of the Holding Company. Further secured by first pari passu charge by an equitable mortgage on entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in remaining 23 monthly instalments by February 2026. The current interest rate is at a spread of 100 basis points over 6 months MCLR.
- d) ₹ 160.42 lakh (March 31, 2023: ₹ 229.17 lakh) secured by first pari passu charge by way of hypothecation of inventories and book debts of the Holding Company. Further secured by first pari passu charge by an equitable mortgage on entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in remaining 28 monthly instalments by July 2026. The current interest rate is at a spread of 100 basis points over 1 year MCLR.

- e) ₹ 317.00 lakh (March 31, 2023: ₹ Nil) secured by first pari passu charge by way of hypothecation of inventories and book debts of the Holding Company. Further secured by first pari passu charge by an equitable mortgage on entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in 48 monthly instalments by March 2029 commencing after a moratorium period of two years from the date of first disbursement. The current interest rate is at a spread of 75 basis points over 1 year MCLR, subject to maximum 9.25% p.a.
- f) ₹ 1,104.06 lakh (March 31, 2023: ₹ Nil) secured by first pari passu charge by way of hypothecation of inventories and book debts of the Holding Company. Further secured by first pari passu charge by an equitable mortgage on entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in 48 monthly instalments by February 2029 commencing after a moratorium period of two years from the date of first disbursement. The current interest rate is at a spread of 100 basis points over 6 months MCLR, subject to maximum 9.25% p.a.
- g) ₹ 978.00 lakh (March 31, 2023: ₹ Nil) secured by first pari passu charge by way of hypothecation of inventories and book debts of the Holding Company. Further secured by first pari passu charge by an equitable mortgage on entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets charged exclusively to other lenders. The loan is repayable in 48 monthly instalments by April 2029 commencing after a moratorium period of two years from the date of first disbursement. The current interest rate is at a spread of 100 basis points over 1 year MCLR, subject to maximum 9.25% p.a.
- h) ₹ 121.89 lakh (March 31, 2023: ₹ 150.70 lakh) secured by way of hypothecation of vehicle. The loan is repayable in remaining 42 monthly instalments by September 2027. The current interest rate is 8.05% p.a.
- i) ₹ 23.14 lakh (March 31, 2023: ₹ 29.41 lakh) secured by way of hypothecation of vehicle. The loan is repayable in remaining 38 monthly instalments by May 2027. The current interest rate is 7.25% p.a.
- j) ₹ 39.18 lakh (March 31, 2023: ₹ Nil) secured by way of hypothecation of vehicle. The loan is repayable in remaining 52 monthly instalments by July 2028. The current interest rate is 8.70% p.a.

21.4 Term loans from banks in foreign currency - unsecured

- a) ₹ 173.94 lakh (March 31, 2023: ₹ 851.48 lakh) pertains to a subsidiary in Italy. The loan is repayable in remaining 1 instalment by April 2024. The interest rate is at a spread of 190 basis points over 3 month EURIBOR.
- b) ₹ Nil (March 31, 2023: ₹ 133.96 lakh) pertains to a subsidiary in Italy. The loan is repaid during the year.
- c) ₹ 554.64 lakh (March 31, 2023: ₹ 907.41 lakh) pertains to a subsidiary in Italy. The loan is repayable in remaining 6 structured instalments by July 2025. The current interest rate is 2.25% p.a.
- d) ₹ Nil (March 31, 2023: ₹ 121.33 lakh) pertains to a subsidiary in Italy. The loan is repaid during the year.

- e) ₹ 2,507.92 lakh (March 31, 2023: ₹ 3,138.16 lakh) pertains to a subsidiary in Italy. The loan is repayable in remaining 11 structured instalments by December 2026. The interest rate is at a spread of 160 basis points over 3 month EURIBOR.
- f) ₹ 451.09 lakh (March 31, 2023: ₹ 781.44 lakh) pertains to a subsidiary in Italy. The loan is repayable in remaining 4 structured instalments by March 2025. The interest rate is at a spread of 90 basis points over 3 month EURIBOR.
- g) ₹ 1,738.95 lakh (March 31, 2023: ₹ 2,129.09 lakh) pertains to a subsidiary in Italy. The loan is repayable in remaining 15 structured instalments by October 2027. The interest rate is at a spread of 160 basis points over 3 month EURIBOR.
- h) ₹ 2,300.55 lakh (March 31, 2023: ₹ Nil) pertains to a subsidiary in Italy. The loan is repayable in remaining 17 structured instalments by June 2028. The interest rate is at a spread of 100 basis points over 3 month EURIBOR.
- i) ₹ 2,350.44 lakh (March 31, 2023: ₹ Nil) pertains to a subsidiary in Italy. The loan is repayable in remaining 31 structured instalments by October 2026. The interest rate is at a spread of 25 basis points over 3 month EURIBOR.

21.5 Loan from others in foreign currency - secured

- a) ₹ 11,352.57 lakh (March 31, 2023: ₹ 12,129.03 lakh) pertains to the Holding Company secured by first pari passu charge over entire movable and immovable fixed assets at Plot No. Z/96/D at Dahej SEZ. The loan is repayable in remaining 11 semi-annual instalments by July 2029. The current interest rate is at spread of 443 basis points over 6 months SOFR.
- b) ₹ 9,890.81 lakh (March 31, 2023: ₹ 9,706.46 lakh) pertains to Holding Company secured by first pari passu charge over entire movable and immovable fixed assets at Plot No. Z/96/D at Dahej SEZ. The loan is repayable from April 2025 in 24 structured quarterly instalments by January 2031 commencing after moratorium period of 7 quarters. The current interest rate is at a spread of 400 basis points over SOFR.

21.6 Loan from others in Foreign Currency - Unsecured

₹ 406.25 lakh (March 31, 2023: ₹ 397.54 lakh) pertains to a subsidiary in China. The interest rate is 6.75% p.a.

21.7 The balances shown above include interest accrued amounting to ₹ 489.38 lakh (March 31, 2023: ₹ 1,330.29 lakh).

22 OTHER FINANCIAL LIABILITIES

Particulars	₹ (in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Grant Liability	33.05	29.64
	33.05	29.64

22.1 ₹ 33.05 lakh (March 31, 2023: ₹ 29.64 lakh) relates to grant-in-aid received by a subsidiary. The said grant has been recognised as government loan at below market rate of interest and measured in accordance with Ind AS 109 - Financial Instruments. The benefit of the below market rate of interest, measured as the difference between the fair value of the grant-in-aid determined in accordance with Ind AS 109 and the proceeds received is recognised as Government Grant.

23 PROVISIONS

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employment benefits		
Compensated absences	496.64	470.08
Gratuity	13.99	11.39
	510.63	481.47

24 OTHER NON-CURRENT LIABILITIES

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred grant liabilities	34.66	38.60
	34.66	38.60

24.1 ₹ 34.66 lakh (March 31, 2023: ₹ 38.60 lakh) relates to grant towards property, plant and equipment received by a subsidiary. The said grants are amortised on a systematic basis over the period of useful life of the assets towards which the grants are received. The unamortised portion of the grants received is disclosed as deferred grant liabilities.

25 BORROWINGS

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
I Loans repayable on demand		
From Banks -Secured		
Working capital loans (Refer Note 25.1)	19,213.74	20,401.14
II Other Short Term Borrowings		
(a) From Banks -Secured		
Working capital loans (Refer Note 25.2)	809.80	1,324.72
(b) From Banks -Unsecured		
Working capital loans (Refer Note 25.3)	-	1,602.49
(c) From Others -Unsecured		
Working capital loans (Refer Note 25.4)	3,322.62	-
III Current maturities of long term borrowings (Refer Note 21)	9,147.75	13,820.75
	32,493.91	37,149.10

25.1 Loans repayable on demand from banks - Secured

- (a) ₹ 19,203.96 lakh (March 31, 2023: ₹ 20,401.14 lakh) pertains to the Holding Company on account of working capital facilities availed from banks and are secured by first pari passu charge over Holding Company's current assets, both present and future. Further, secured by first pari passu charge by an equitable mortgage on the entire movable and immovable fixed assets of the Holding Company, both present and future, excluding assets exclusively charged to other lenders. The said working capital facilities are additionally guaranteed by Mr. Ashish Dandekar, Promoter, Chairman & Managing Director of the Holding Company. The current interest rates range from 8.95% to 10.75% p.a.
- (b) ₹ 9.78 lakh (March 31, 2023: ₹ Nil) pertains to a subsidiary in Brasil on account of overdraft facility availed from banks. The current interest rate is 14.69% p.a.

25.2 Other Short Term Borrowings from banks - Secured

- (a) ₹ 703.16 lakh (March 31, 2023: ₹ 812.27 lakh) pertains to the Holding Company towards buyers credit availed from banks and is secured by security stated against Note 25.1.a.
- (b) ₹ 106.64 lakh (March 31, 2023: ₹ 442.61 lakh) pertains to the Holding Company towards export bill discounting availed from banks and is secured by security stated against Note 25.1.a.
- (c) ₹ Nil (March 31, 2023: ₹ 69.84 lakh) pertains to subsidiary in Brasil secured by receivables.

25.3 Other Short Term Borrowings from banks- Unsecured

- (a) ₹ Nil (March 31, 2023: ₹ 312.19 lakh) pertains to Holding Company towards export bill discounting availed from banks.
- (b) ₹ Nil (March 31, 2023: ₹ 1,290.30 lakh) pertains to Subsidiary in Italy towards vendor financing availed from banks.

25.4 Other Short Term Borrowings from others- Unsecured

- (a) ₹ 2,161.79 lakh (March 31, 2023: ₹ Nil) pertains to Holding Company towards purchase bill discounting availed from a financial institution. The current interest rate is in the range of 8.75% p.a. to 10.50% p.a.
- (b) ₹ 745.89 lakh (March 31, 2023: ₹ Nil) pertains to Holding Company towards purchase and service bill discounting from various banks registered under TReDS platform of Mynd Online National Exchange. The current interest rates are in the range of 7.99% p.a. to 8.50% p.a.
- (c) ₹ 414.94 lakh (March 31, 2023: ₹ Nil) pertains to Holding Company towards purchase and service bill discounting from various banks registered under TReDS platform of Receivable Exchange of India Limited (RXIL). The current interest rate is 8.50% p.a.

25.5 The Holding Company has submitted stock statements, debtors statements and other information / returns as required by the banks on a monthly as well as quarterly basis. Such monthly / quarterly statements and returns are generally in agreement with the books of account except for differences in some cases on account of valuation, provisions etc, the impact of which is not material.

25.6 Movement in borrowings

₹ (in Lakh)

Particulars	As at March 31, 2023	Cash flows	Non-cash changes	As at March 31, 2024
Non-current borrowings	54,630.28	2,503.49	(14,714.17)	42,419.60
Current borrowings	23,328.35	17.81	-	23,346.16
Total borrowings	77,958.63	2,521.30	(14,714.17)	65,765.76

Non-cash changes during the year include changes on account of conversion of FCCBs to equity amounting to INR 13,280.89 lakh.

₹ (in Lakh)

Particulars	As at March 31, 2022	Cash flows	Non-cash changes	As at March 31, 2023
Non-current borrowings	44,224.05	8,084.25	2,321.98	54,630.28
Current borrowings	18,100.98	5,227.37	-	23,328.35
Total borrowings	62,325.03	13,311.62	2,321.98	77,958.63

25.7 The balances shown above include interest accrued amounting to ₹ 6.49 lakh (March 31, 2023: ₹ 49.94 lakh).

26 TRADE PAYABLES

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Total outstanding dues of Micro Enterprises and Small Enterprises	3,878.27	1,614.01
(B) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note 26.1)	28,585.64	27,221.07
	32,463.91	28,835.08

26.1 Details of ageing of trade payables outstanding from the due date for payment

As at March 31, 2024

₹ (in Lakh)

Particulars	Not Due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2-3 years	More than 3 years	
Undisputed, MSME	1,358.59	1,827.36	473.10	98.58	19.32	101.32	3,878.27
Undisputed, Others	20,622.99	6,369.80	254.09	99.33	686.70	552.73	28,585.64
	21,981.58	8,197.16	727.19	197.91	706.02	654.05	32,463.91

As at March 31, 2023

₹ (in Lakh)

Particulars	Not Due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, MSME	865.68	622.38	88.19	5.02	12.94	19.80	1,614.01
Undisputed, Others	19,305.54	5,592.02	1,083.57	893.26	121.02	225.66	27,221.07
	20,171.22	6,214.40	1,171.76	898.28	133.96	245.46	28,835.08

26.2 Relationship with struck off companies

₹ (in Lakh)

Name of struck off company	Nature of transactions	Transaction during the year ended March 31, 2024	Balance outstanding as on March 31, 2024	Transaction during the year ended March 31, 2023	Balance outstanding as on March 31, 2023	Relationship with struck off company
Melfrank Engineers	Interest on delayed payment to Micro Enterprise	-	0.01	-	-	Vendor

27 OTHER FINANCIAL LIABILITIES

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unpaid / Unclaimed dividends (Refer Note 27.1)	-	5.97
Deposits	16.66	0.29
Payable towards purchase of Property, Plant and Equipment	1,201.54	1,149.34
Put Option Liability (Refer Note 5.1)	-	-
Fair Value of forward contracts	14.05	13.94
Obligation to acquire non-controlling interest in subsidiary (Refer Note 19.9 and Note 27.2)	-	2,813.07
Other outstanding liabilities	1,961.21	2,409.53
	3,193.46	6,392.14

27.1 There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013 as at the year end.

27.2 During the year, Dresen Quimica has declared and paid preferred dividend including escalated portion of USD 3 million (2022-23: USD 1.70 million) amounting to ₹ 2,063.07 lakh (2022-23: ₹ 1,385.08 lakh). The financial obligation thereof has been extinguished on March 31, 2024.

28 OTHER CURRENT LIABILITIES

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances received from customers	2,154.88	2,840.86
Statutory dues	1,119.61	941.30
Deferred grant liabilities (Refer Note 24.1)	3.94	3.94
	3,278.43	3,786.10

29 PROVISIONS

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employment benefits		
Compensated absences	875.93	953.86
Gratuity	81.86	94.75
	957.79	1,048.61

30 CURRENT TAX LIABILITIES

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Tax (Net of Income Tax Assets)	18.59	1,424.98
	18.59	1,424.98

31 REVENUE FROM OPERATIONS

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Sale of Products		
Finished goods	147,137.23	155,685.70
Traded goods	12,365.13	11,444.41
	159,502.36	167,130.11

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(b) Other Operating Revenues		
Export / Import incentives	65.68	98.35
Service income	1,711.19	910.22
Sale of scrap	26.97	17.72
	1,803.84	1,026.29
	161,306.20	168,156.40

31.1 Revenue from contracts with customers disaggregated based on geography

The revenue from contracts with customers are disaggregated based on geography to comply with Ind AS 115, although it is not reviewed for evaluating financial performance for the purpose of segment reporting.

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Domestic	24,726.95	25,654.77
Exports	134,775.41	141,475.34
Total	159,502.36	167,130.11

31.2 The amounts receivable from customers become due after expiry of credit period which ranges between 15 to 120 days. There is no significant financing component in any transaction with the customers.

31.3 The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a short duration.

31.4 Revenue from sale of products includes gain of ₹ 75.15 lakh (2022-23: loss ₹ 167.55 lakh) pertaining to effective portion of changes in fair value of foreign exchange forward contracts classified as cash flow hedges.

32 OTHER INCOME

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Interest Income On		
Bank deposits	99.04	65.97
Loan to others	70.19	27.80
Refund of Income Tax	-	0.40
Other financial assets carried at amortised cost	7.58	7.22
	176.81	101.39

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(b) Other Non-Operating Income		
Net gain on fair value changes of derivative instruments (Refer Note 6.1)	469.54	29.66
Miscellaneous income	909.29	448.88
	1,378.83	478.54
	1,555.64	579.93

33 COST OF MATERIALS CONSUMED

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials and Packing materials consumed		
Opening inventories	26,778.72	17,384.54
Add: Purchases	77,176.71	94,951.50
Less: Closing inventories	(29,293.97)	(26,778.72)
	74,661.46	85,557.32

34 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Inventories		
Finished goods	15,348.52	6,228.60
Stock-in-trade	3,038.38	2,660.25
Work-in-progress	10,323.39	9,516.45
	28,710.29	18,405.30
Closing Inventories		
Finished goods	13,032.98	15,348.52
Stock-in-trade	1,988.24	3,038.38
Work-in-progress	8,414.29	10,323.39
	23,435.51	28,710.29
	5,274.78	(10,304.99)

35 EMPLOYEE BENEFITS EXPENSE

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages (Refer Note 35.1.(a))	16,440.07	14,786.66
Contributions to -		
Provident Fund and other funds (Refer Note 35.1 (b))	349.30	306.88
Gratuity and other funds (Refer Note 35.1(c))	91.35	58.97
Share based payments (Employee Stock Option Plan) (Refer Note 35.2)	0.91	235.91
Staff welfare expenses	993.14	873.67
	17,874.77	16,262.09

35.1 Employee Benefit Plans

(a) Other long term employment benefits

Leave encashment is payable to the employees of the Group due to death, retirement, superannuation or resignation. Employees are entitled to encash leave while in service. The leave encashment benefit is payable to all the eligible employees of the Group at the rate of daily salary as per current accumulation of leave days.

The Privilege Leave encashment liability and amount charged to Consolidated Statement of Profit and Loss determined on actuarial valuation using projected unit credit method are as under:

(i) Provisions in Consolidated Balance Sheet:

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Current	875.93	953.86
Non-Current	496.64	470.08
	1,372.57	1,423.94

(ii) Recognised in Consolidated Statement of Profit and Loss

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses	(51.37)	204.53

(b) Defined Contribution Plans:

The contributions to the Provident Fund of eligible employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. Under the plan, the Group has contributed ₹ 349.30 lakh during the year (2022-2023: ₹ 306.88 lakh).

(c) Defined Benefit Plans:

The Group makes contributions to the Group Gratuity cum Life Assurance Scheme administered by the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. On retirement / resignation, the Scheme provides for payment as per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service. On death / permanent disablement in service, vesting period is not applicable.

The most recent actuarial valuation of plan assets and present value of defined benefit obligation of gratuity was carried out as at March 31, 2024. The present value of defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The following table summaries the net benefit expense recognised in the Consolidated Statement of Profit and Loss, the details of the defined benefit obligation and the funded status of the Group's gratuity plans:

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
I Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the beginning of the year	681.22	530.52
Interest Cost	51.09	38.36
Current Service Cost	83.39	54.62
Benefits paid from the Fund	(44.76)	(39.78)
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	14.83	72.54
Actuarial (Gains) / Losses on Obligations - Due to Experience	(9.76)	24.96
Present Value of Benefit Obligation at the end of the year	776.01	681.22
II Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	575.08	470.42
Interest Income	43.13	34.01
Contributions by the Employer	110.71	106.29
Benefits paid from the Fund	(44.76)	(39.78)
Return on Plan Assets, excluding Interest Income	(4.00)	4.14
Fair Value of Plan Assets at the end of the year	680.16	575.08
III Net Asset / (Liability) recognised in Consolidated Balance Sheet		
Present value of defined benefit obligation at the end of the year	(776.01)	(681.22)
Fair value of plan assets at the end of the year	680.16	575.08
Net Asset / (Liability) at the end of the year	(95.85)	(106.14)

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
IV Expenses recognised in the Consolidated Statement of Profit and Loss		
Current Service Cost	83.39	54.62
Net Interest Cost	7.96	4.35
Expenses recognised in the Consolidated Statement of Profit and Loss	91.35	58.97
V Expenses recognised in the Other Comprehensive Income (OCI)		
Actuarial (Gains) / Losses on Obligation for the year	5.07	97.49
Return on Plan Assets, excluding Interest Income	4.00	(4.14)
Net (Income) / Expense for the year recognised in OCI	9.07	93.35
VI Actuarial assumptions considered		
(i) Discount rate	7.21% - 7.22%	7.50%
(ii) Expected return on plan assets	7.22%	7.50%
(iii) Salary escalation rate	5% - 7%	5% - 7%
(iv) Rate of employee turnover	2% - 4%	2% - 4%
(v) Mortality Table	Indian Assured Lives Mortality (2012-2014) Urban	Indian Assured Lives Mortality (2012-2014) Urban
The assumptions of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors.		
VII Category of asset as at the end of the year		
Insurer Managed Funds (100%)		
(Fund is managed by LIC as per guidelines of Insurance Regulatory and Development Authority of India. Category-wise composition of plan assets is not available).		
VIII Maturity profile of Benefit Payments		
(i) Year 1	96.60	51.41
(ii) Year 2	37.14	82.99
(iii) Year 3	84.15	47.23
(iv) Year 4	59.94	77.89
(v) Year 5	100.23	51.38
(vi) Years 6 -10	367.27	344.00
(vii) Years 11 and above	750.98	687.60
Maturity Analysis of benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.		

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
IX Sensitivity Analysis of Projected Benefit Obligation for Significant Assumptions		
Projected Benefit Obligation on Current Assumptions	776.01	681.22
1% increase in Discount Rate	(50.47)	(44.13)
1% decrease in Discount Rate	57.90	50.46
1% increase in Salary Escalation Rate	56.57	49.32
1% decrease in Salary Escalation Rate	(50.20)	(43.63)
1% increase in Rate of Employee Turnover	(1.02)	0.59
1% decrease in Rate of Employee Turnover	0.90	(0.81)

The sensitivity analysis have been determined based on reasonably possible changes in the respective assumptions occurring at the end of the reporting year, holding all other variables constant. The sensitivity analysis presented above may not be representative of the actual change in the Projected Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Projected Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same method as applied in calculating the projected benefit obligation as recognised in the Consolidated Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

35.2 Employee Stock Option Plan / Scheme

35.2.1 Employee Stock Option Plan 2020

The Holding Company has granted options on August 20, 2020 to senior management employees under “CFSL Employees Stock Option Plan, 2020” (ESOP 2020) approved by the Board of Directors, Shareholders and Remuneration Committee. The options granted under this plan are equity settled. The details of the plan are summarised below:

Particulars	Details of options
Options granted	3,912,096
Exercise Price	63.59
Market Price of shares as on grant date	70.65
Basis of Exercise Price	At discount to Market Price
Vesting Period	2 years

a) **Details of option granted are as under:**

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (₹)	No. of Options	Weighted Average Exercise Price (WAEP) (₹)
	March 31, 2024		March 31, 2023	
Options outstanding at the beginning of the year	3,912,096	63.59	3,912,096	63.59
Options granted during the year	-	N.A.	-	N.A.
Options exercised during the year	12,500	N.A.	-	N.A.
Options expired / lapsed and forfeited during the year*	-	N.A.	-	N.A.
Options eligible for re-issue	-	63.59	-	63.59
Options outstanding at the end of the year	3,899,596	63.59	3,912,096	63.59
Exercisable at the end of the year	3,899,596	63.59	3,912,096	63.59
Other Information:				
Average of exercise price of options outstanding at the end of the year (₹)	63.59		63.59	
Average Share price during the year (₹)	147.23		133.07	
Weighted average remaining contractual life of the option outstanding at the end of the year	N.A.		N.A.	
Weighted average fair value of the options as on date of grant (granted during the year)	N.A.		N.A.	
*The options lapsed under the Scheme are added to the stock inventory and may be granted afresh by the Compensation Committee to such eligible employees as it may deem fit in its sole discretion.				
Option pricing model used	Black-Scholes Option Pricing Model			

b) Assumptions used in arriving at fair value of options are as under:

Particulars	Details	Description of input used
Risk free interest rate	4.98%	Based on yield to maturity on zero coupon government securities having a maturity of 5 years.
Expected life of stock options	4 years	Period for which options are expected to be alive
Expected volatility	54.00%	Volatility is a measure of the amount by which a price is expected to fluctuate during a period based on the historic data.
Expected dividend yield	Nil	The dividends declared by the Holding Company in the past and its share price.
Price of share on the date of granting of options	70.65	Fair market value
The fair value of options:	35.38	

35.2.2 Employee Stock Option Scheme 2018

The Holding Company has granted options on April 08, 2019 and March 22, 2024 to eligible employees of Group under “CFS Employees Stock Option Scheme, 2018” (ESOP - 2018) approved by the Board of Directors, Shareholders and Remuneration Committee. The options granted under this scheme are equity settled. The details of the scheme are summarised below:

Particulars	Details of options					Total
	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	5th Vesting	
Options granted	135,250	135,250	135,250	135,250	80,000	621,000
Exercise Price	50.00	50.00	50.00	50.00	85.00	
Market Price of shares as on grant date	50.00	50.00	50.00	50.00	100.35	
Basis of Exercise Price	At market price				At discount to market price	
Vesting Period	1 year	2 years	3 years	4 years	4 years	

a) **Details of options granted are as under:**

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (₹)	No. of Options	Weighted Average Exercise Price (WAEP) (₹)
	March 31, 2024		March 31, 2023	
Options outstanding at the beginning of the year	201,500	50.00	310,750	50.00
Options granted during the year	80,000	85.00	-	N.A.
Options exercised during the year	100,225	50.00	109,250	50.00
Options expired / lapsed and forfeited during the year*	15,000	50.00	-	N.A.
Options eligible for re-issue	15,000	50.00	-	N.A.
Options outstanding at the end of the year	181,275	50.00	201,500	50.00
Exercisable at the end of the year (Tranche 1-4)	101,275	50.00	201,500	50.00
Exercisable at the end of the year (Tranche 5)	80,000	85.00	-	-
Other Information:				
Average of exercise price of options outstanding at the end of the year (Tranche 1-4) (₹)	50.00		50.00	
Average of exercise price of options outstanding at the end of the year (Tranche 5) (₹)	85.00		N.A.	
Average Share price during the year (₹)	147.23		133.07	
Weighted average remaining contractual life of the option outstanding at the end of the year (Tranche 1 -4)	N.A.		0.01 year	
Weighted average remaining contractual life of the option outstanding at the end of the year (Tranche 5)	0.98 year		N.A.	
Weighted average fair value of the options as on date of grant (granted during the year)	35.86		N.A.	
Option pricing model used	Black-Scholes Option Pricing Model			

*78,500 options lapsed under the Scheme are added to the stock inventory and may be granted afresh by the Compensation Committee to such eligible employees as it may deem fit in its sole discretion.

b) Assumptions used in arriving at fair value of options are as under:

Particulars	Vesting Period					Description of input used
	1 st Vesting	2 nd Vesting	3 rd Vesting	4 th Vesting	5 th Vesting	
Risk free interest rate	7.41%	7.41%	7.41%	7.41%	7.10%	Based on yield to maturity on zero coupon government securities maturing after 1 year / 5 years.
Expected life of stock options	1 year	2 years	3 years	4 years	2 years	Period for which options are expected to be alive
Expected volatility	59.31%	59.31%	59.31%	59.31%	40.99%	Volatility is a measure of the amount by which a price is expected to fluctuate during a period based on the historic data.
Expected dividend yield	Nil	Nil	Nil	Nil	Nil	The dividends declared by the Holding Company in the past and its share price.
Price of share on the date of granting of options	50	50	50	50	100.35	Fair market value
Fair value of options	12.78	18.43	22.64	26.02	35.86	

36 FINANCE COSTS

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense	6,055.68	5,571.36
Interest on lease liabilities (Refer Note 3(b))	229.67	178.07
Foreign exchange loss / (gain) (Refer Note 36.1)	(419.58)	1,666.69
Other Borrowing Costs	164.72	285.49
Total Finance Costs	6,030.49	7,701.61
Less: Interest income from temporary investments	-	(7.98)
Less: Capitalised to Capital Work-in-Progress (Refer Note 2.b.i)	-	(1,843.15)
	6,030.49	5,850.48

36.1 Foreign Exchange Loss / (Gain) includes exchange loss on foreign currency borrowings amounting to ₹ Nil (2022-2023: ₹ 321.86 lakh), regarded as an adjustment to interest costs.

37 DEPRECIATION AND AMORTISATION EXPENSE

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on Property, Plant and Equipment (Refer Note 2(a))	6,740.45	5,200.14
Depreciation/Amortisation on Right-Of-Use Assets (Refer Note 3(a))	945.76	776.07
Amortisation on Intangible Assets (Refer Note 4)	174.40	275.00
	7,860.61	6,251.21

38 OTHER EXPENSES

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spares	2,312.21	1,713.81
Power and fuel	12,102.84	20,126.74
Short term leases (Refer Note 3(d))	1,001.91	887.17
Rates and taxes	180.61	231.58
Insurance	1,463.79	1,088.90
Repairs - buildings	38.82	6.03
Repairs - plant and equipment	2,050.46	1,922.60
Repairs - others	1,738.22	1,166.30
Sub-Contract charges	2,388.55	2,550.17
Labour charges	2,107.25	1,693.76
Advertisement and sales promotion	868.60	1,014.82
Transport and forwarding charges	5,501.65	5,828.89
Commission / discount / service charges on sales	885.65	737.12
Travelling and conveyance	1,887.74	1,640.38
Directors' fees	75.95	61.25
Commission to directors	45.00	45.00
Auditor's remuneration	61.61	50.69
Legal & professional fees	2,697.66	2,795.69
Bad debts written off	2,674.94	65.09
Provision for doubtful debts written back	(2,666.50)	(63.90)
Provison / Allowance for Credit Loss	(196.98)	312.74

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provision for doubtful advances	2.12	141.51
Loss on Property, Plant & Equipment sold / discarded	14.52	6.49
Loss on foreign currency transactions and translation	3,946.68	783.66
Corporate Social Responsibility Contribution	88.00	58.00
Bank charges	489.62	567.41
Effluent treatment expenses	822.09	1,659.67
Interest on delayed payment to Micro & Small Enterprises	476.65	206.35
Export licenses written off	-	49.56
Insurance claim loss	-	244.63
Establishment expenses	346.22	333.05
Water charges	328.27	333.61
Miscellaneous expenses	943.66	1,785.09
	44,677.81	50,043.86

39 EXCEPTIONAL ITEMS

I Impairment of Investment in and Assets of CFS Wanglong Flavors (Ningbo) Co., Ltd. (CFSWL)

Our JV Partner, Ningbo Wanglong Tech Co.,Ltd. (WLT) has informed that they have arrived at an out of Court Settlement with the litigant in the Supreme Court Order regarding the infringement of intellectual property whereby the manufacturing facility of our 51% subsidiary CFSWL was stopped from manufacturing of Methyl Vanillin. The said settlement, inter alia, :

- (a) Precludes any punitive action against CFSWL and also absolves it from payment of any penalty under the original judgement,
- (b) Precludes CFSWL from manufacturing any Methyl Vanillin in China, and
- (c) Allows CFSWL to manufacture, market and sell any product other than Methyl Vanillin, in China at the facility owned by CFSWL.

Pursuant to the above settlement, it has been decided to utilise the aforesaid facility to manufacture Heliotropin, an aromatic product which is a downstream of Catechol. The management has initiated the process of re-purposing of the said plant.

Based on the above circumstances, during the year ended March 31, 2024, the company considered indicators of impairment with respect to the Investments in and Assets of CFSWL such as manufacture of alternate product, cost and time requirement for re-purposing the plant, current and forecasted economic scenario and market of the alternate product, outlook of future profitability and recoverability of intergroup outstanding.

The computation of impairment uses cash flow forecasts which cover a period of five years and future projections taking the analysis out into perpetuity based on a steady state. Key assumptions for the computation of the value in use are those regarding the discount rates, exchange rates, market demand, sales volume and price, cost of manufacture and conversion. For the purpose of computation of impairment, a post-tax discount rate of 13.68% is considered while a growth rate of 1% is used to extrapolate the cash flows beyond those considered for the forecast period.

The outcome of impairment assessment as on March 31, 2024 resulted in recognition of impairment loss of ₹ 2,700.84 lakh as follows:

- (i) Property, Plant & Equipments ₹ 1,580.06 lakh
- (ii) Impairment of Inventories & Receivables (net) ₹ 549.15 lakh
- (iii) Write off of Goodwill ₹ 571.63 lakh

During FY 2022-23, intangible asset at CFSWL being patent pertaining to technical and process know-how for manufacture of Vanillin with carrying amount of ₹ 967.84 lakh was impaired.

II Impairment of Inventories of CFS Europe S.p.A.

Diphenol manufacturing plant of CFS Europe S.p.A. (wholly owned subsidiary) located at Ravenna Italy was temporarily shut down from August 15, 2023 due to difficult macro-economic situation in Europe, low pricing and weak demand. The shutdown continued as on date.

Management of the subsidiary, has planned to re-purpose the facility to manufacture alternative products such as MEHQ & Guaiacol and is in the process of financial closure of the project. Pursuant to the aforesaid plan, the inventory of catalyst held for manufacture of Di-phenol will be required to be sold in the open market. The unique nature of the catalyst and the cost of internal manufacture has led to write down of the cost of the catalyst to the current selling prices amounting to ₹ 2,279.56 lakh.

40 EARNINGS PER SHARE

a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the (loss) / profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

i) (Loss) / Profit attributable to ordinary shareholders

Particulars	₹ (in Lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
(Loss) / Profit attributable to ordinary shareholders of the Holding Company	(9,275.34)	5,210.64
Add: Interest (net of tax) on Foreign Currency Convertible Bonds (FCCBs) pursuant to conversion after the reporting period (Refer Note 18(g))	-	562.28
Adjusted (loss) / profit attributable to ordinary shareholders of the Holding Company	(9,275.34)	5,772.92

ii) **Weighted average number of ordinary shares**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Number of equity shares at the beginning of the year	157,093,496	156,984,246
Add: Effect of employee stock option exercised	62,269	71,956
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Add: Effect of shares issued pursuant to conversion of FCCBs during the year (Refer Note 18(g))	9,109,755	-
Add: Effect of shares issued pursuant to conversion of FCCBs after the reporting period (Refer Note 18(g))	-	10,258,986
Adjusted weighted average number of equity shares for Basic EPS	166,265,520	167,315,188
Basic Earnings Per Share (Amount in ₹)	(5.58)	3.45

b) **Diluted Earnings Per Share**

The calculation of diluted earnings per share is based on the (loss)/ profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

i) **(Loss) / Profit attributable to ordinary shareholders**

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(Loss) / Profit attributable to ordinary shareholders of the Holding Company	(9,275.34)	5,210.64
Add: Interest (net of tax) on Foreign Currency Convertible Bonds (FCCBs) pursuant to conversion after the reporting period (Refer Note 18(g))	-	562.28
Adjusted (loss) / profit attributable to ordinary shareholders of the Holding Company	(9,275.34)	5,772.92

ii) **Weighted average number of ordinary shares**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Weighted average number of equity shares outstanding (Basic)	166,265,520	167,315,188
Add: Potential equity shares under Employee Stock Option Plan / Scheme (Refer Note 35.2)	2,316,052	2,168,401
Adjusted weighted average number of equity shares for Diluted EPS	168,581,572	169,483,589
Diluted Earnings Per Share (Amount in ₹)	(5.50)	3.41

41 CONTINGENT LIABILITIES AND COMMITMENTS

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
I Contingent liabilities		
a) Claims for Excise Duties, Taxes and Other Matters		
i) In respect of Income Tax matter	2,000.34	1,680.72
ii) In respect of Excise Matter	356.02	356.02
b) In respect of bank guarantees issued	878.46	229.80
c) In respect of compensation attributed by the National Green Tribunal (NGT) (Refer Note 41.1)	1,712.31	1,712.31
d) In respect of notices received from vendors	120.91	207.86
II Commitments		
Value of contracts (net of advance) remaining to be executed on capital account not provided for	93.79	311.79

41.1 Pursuant to the directions of the Honorable Supreme Court dated December 14, 2020, National Green Tribunal had reheard the matter and vide its direction dated January 24, 2022 had enhanced the portion of compensation attributable to the Holding Company for alleged violations of environmental norms by manufacturers at Tarapur MIDC for an amount of ₹ 1,712.31 lakh from ₹ 515.56 lakh. The Honourable Supreme Court vide its order dated April 27, 2022 has stayed the proceedings of the aforesaid directions until the matter is heard. Further the Honourable Supreme Court has directed to deposit ₹ 515.56 lakh until the matter is heard. The Holding Company has deposited ₹ 154.97 lakh which is disclosed as recoverable advance (Refer Note 16). Based on the assessment of the management, the Holding Company believes that it has strong grounds to defend its position against these directions and hence no provision for the compensation is considered necessary in the consolidated financial statements.

41.2 There are numerous interpretative issues relating to the Supreme Court judgements on Provident Fund dated February 28, 2019. As a matter of caution, the Holding Company has made a provision on a prospective basis from the date of the Supreme Court Order and the provisions will be updated on receiving further clarity on the subject.

42 RELATED PARTY DISCLOSURES

i List of Related Parties as required by Ind AS 24 'Related Party Disclosures' are given below:

i Key Management Personnel (KMP)

a) Chairman and Managing Director

Ashish Dandekar

b) Managing Director

Nirmal Momaya

c) Non-Executive Directors

Anagha Dandekar

Amol Shah

Sutapa Banerjee

Harsha Raghavan

Sarvjit Singh Bedi (upto April 19, 2023)

Joseph Conrad D'souza

Mahabaleshwar Palekar

Thomas Videbaek (upto February 23, 2023)

Pradip Kanakia

d) Executive Director

Arjun Dukane

e) Chief Financial Officer

Santosh Parab

f) Company Secretary

Rahul Sawale

ii Relatives of KMP

Subhash Dandekar - Management Consultant / Relative of Managing Director

iii Entities where control / significant influence by KMP and their relatives exist

Fine Renewable Energy Limited

Abana Medisys Private Limited

Pagoda Advisors Private Limited

Hardware Renaissance Inc.

Kokuyo Camlin Limited

iv Post-employment benefit plan

Camlin Fine Sciences Limited Group Gratuity Scheme

II The details of transactions with related parties during the year are given below:

₹ (in Lakh)

Sr. No.	Nature of transactions	Name of Related Party	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Sale of products	Hardware Renaissance Inc	156.73	183.06
2	Consultancy / Professional services	Subhash Dandekar	6.60	6.60
3	Compensation to KMP	Short term employee benefits (including bonus and value of perquisites)*	875.35	793.48
		Post employment and long term benefits	37.66	50.16
		Share based payment	0.26	239.16
		Sitting fees	75.95	61.25
		Commission to Non-Executive Directors	45.00	45.00
			1,034.22	1,189.05
4	Contribution paid on behalf of Gratuity Trust	Camlin Fine Sciences Limited Group Gratuity Scheme	110.71	106.29

*The compensation to Key Managerial Personnel figures does not include premium paid for group medical and accident insurance.

III The details of outstanding with related parties as at year end are given below:

₹ (in Lakh)

Sr. No.	Nature of transactions	Name of Related Party	As at March 31, 2024	As at March 31, 2023
1	Trade Receivable	Hardware Renaissance Inc	195.41	228.88
2	Compensation to KMP	Post employment and long term benefits	245.68	208.02
		Commission payable to Non-Executive Directors	45.00	45.00
			290.68	253.02

43 SEGMENT REPORTING

a) General Information

Factors used to identify the entity's reportable segments, including the basis of organisation

For Management purposes, the Group has only one reportable segment, namely, Speciality Chemicals. The Chairman & Managing Director of the Company who acts as the Chief Operating Decision Maker ('CODM'), evaluates the Group's performance and allocates resources based on an analysis of various performance indicators.

b) Information about products and services

The Group has revenues from external customers to the extent of ₹ 161,306.20 lakh (2022-23: ₹ 168,156.40 lakh) (Refer Note 31)

c) Information about geographical areas

The geographic information analyses the Group's revenue and non-current assets by the Holding Company's country of domicile. In presenting the geographical information, revenue in the disclosure below is based on the location of the product and service and assets in the disclosure below is based on the geographic location of the respective non current assets.

The revenue from India is ₹ 24,750.76 lakh (2022-23: ₹ 25,673.49 lakh) and from outside India is ₹ 136,355.44 lakh (2022-23: ₹ 142,482.91 lakh). Non-current assets other than financial instruments and deferred tax assets from India are ₹ 62,803.42 lakh (March 31, 2023: ₹ 62,495.16 lakh) and from outside India are ₹ 26,076.59 lakh (March 31, 2023: ₹ 29,277.05 lakh).

d) Information about major customers

No single customer contributed more than 10% to the Group's revenue in FY 2023-24 and 2022-23.

44 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ (in Lakh)

March 31, 2024	Carrying amount / fair value			Fair value hierarchy			
	Fair value through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Security deposits	-	1,367.96	1,367.96	-	-	-	-
Bank balances held as margin money	-	19.83	19.83	-	-	-	-
Current							
Trade receivables	-	28,515.16	28,515.16	-	-	-	-
Cash and cash equivalents	-	8,025.47	8,025.47	-	-	-	-
Bank balances other than above	-	1,327.79	1,327.79	-	-	-	-
Loans	-	1,006.13	1,006.13	-	-	-	-
Security deposits	-	83.57	83.57	-	-	-	-
Other financial assets	-	97.36	97.36	-	-	-	-
	-	40,443.27	40,443.27	-	-	-	-

₹ (in Lakh)

March 31, 2024	Carrying amount / Fair Value			Fair value Hierarchy			
	Fair value through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities							
Non Current							
Term loans	-	33,271.85	33,271.85	-	-	-	-
Lease liabilities	-	1,715.99	1,715.99	-	-	-	-
Other financial liabilities	-	33.05	33.05	-	-	-	-
Current							
Borrowings	-	32,493.91	32,493.91	-	-	-	-
Lease liabilities	-	821.39	821.39	-	-	-	-
Trade payables	-	32,463.91	32,463.91	-	-	-	-
Put Option Liability (Refer Note 44.a.2)	-	-	-	-	-	-	-
Fair value of forward contracts	14.05	-	14.05	-	14.05	-	14.05
Other financial liabilities	-	3,179.41	3,179.41	-	-	-	-
	14.05	103,979.51	103,993.56	-	14.05	-	14.05

44.a.1 The above table excludes investments amounting to ₹ 787.58 lakh (March 31, 2022: ₹ 795.88 lakh) measured at amortised cost net of provision for impairment in the value of investments.

44.a.2 The put option liability as at March 31, 2023 has extinguished during the year consequent to full payment of preferred dividend to the non-controlling shareholder of Dresen Quimica (Refer Note 5.1).

₹ (in Lakh)

March 31, 2023	Carrying amount / Fair Value			Fair value Hierarchy			
	Fair value through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Security deposits	-	1,479.23	1,479.23	-	-	-	-
Derivative asset	183.18	-	183.18	-	183.18	-	183.18
Current							
Trade receivables	-	30,458.89	30,458.89	-	-	-	-
Cash and cash equivalents	-	9,374.24	9,374.24	-	-	-	-
Bank balances other than above	-	548.57	548.57	-	-	-	-
Loans	-	1,013.95	1,013.95	-	-	-	-
Security deposits	-	82.66	82.66	-	-	-	-
Derivative asset	186.56	-	186.56	-	186.56	-	186.56
Other financial assets	-	144.78	144.78	-	-	-	-
	369.74	43,102.32	43,472.06	-	369.74	-	369.74

₹ (in Lakh)

March 31, 2023	Carrying amount / Fair Value			Fair value Hierarchy			
	Fair value through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities							
Non Current							
Foreign Currency Convertible Bonds	-	6,614.58	6,614.58	-	-	-	-
Term loans	-	34,194.95	34,194.95	-	-	-	-
Lease liabilities	-	1,433.06	1,433.06	-	-	-	-
Other financial liabilities	-	29.64	29.64	-	-	-	-
Current							
Borrowings	-	37,149.10	37,149.10	-	-	-	-
Lease liabilities	-	662.70	662.70	-	-	-	-
Trade payables	-	28,835.08	28,835.08	-	-	-	-
Put Option Liability (Refer Note 44.a.4)	-	-	-	-	-	-	-
Fair value of forward contracts	13.94	-	13.94	-	13.94	-	13.94
Other financial liabilities	-	6,378.20	6,378.20	-	-	-	-
	13.94	115,297.31	115,311.25	-	13.94	-	13.94

44.a.3 The above table excludes investments amounting to ₹ 795.88 lakh (March 31, 2022: ₹ 722.55 lakh) measured at amortised cost net of provision for impairment in the value of investments.

44.a.4 The value of put option liability as on March 31, 2023 is immaterial. (Refer Note 5.1). The fair value hierarchy for put option liability is Level 3.

b) Fair value hierarchy (Refer Note B to material accounting policies)

c) Measurement of Fair Value

The fair values of financial assets or liabilities are included at the amount 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. Methods and assumptions used to estimate the fair values are consistent in both years. The following methods and assumptions are used to estimate the fair values:

- (i) The Management assesses that fair values of trade receivables, cash and cash equivalents, other bank balances, loans, trade payables, current borrowings and other financial liabilities (current) approximate to their carrying amounts largely due to the short-term maturities of these instruments. The Group does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.
- (ii) The embedded derivative in FCCB is fair valued by an external independent valuer by computing the average cash flows determined through Monte Carlo Simulation technique based on the market observable rates and published price.

- (iii) The fair value of forward contracts for the remaining maturity period of the contracts is determined using Mark-to-Market report provided by the Company's bankers.

Unobservable inputs used in Level 3 of fair value hierarchy for the year ended March 31, 2023

The fair value of put option was calculated by an independent expert based on the shareholders agreement using 'Income Approach'. The unobservable inputs used in fair valuation under level 3 are determined by considering historical financial statements, management's estimates of probability of put option being exercised by the non-controlling shareholders, Share Holder's Agreement, discount rate and the review of projected revenue and profits after tax.

d) Risk Management Framework

The Group's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risks. Market risks comprise of currency risk and interest rate risk. The Group's Senior Management and Key Management Personnel have the ultimate responsibility for managing these risks. The Group has a process to identify and analyse the risks faced by the Group, to set appropriate risk limits, to control and monitor risks and adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities. Further, Audit Committee undertakes regular reviews of Risk Management Controls and Procedures.

(i) Credit Risk

Credit risk is the risk that a customer or counterparty fails to meet its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions and financial instruments.

Trade Receivables

Credit risk from trade receivables is managed by establishing credit limits, credit approvals and monitoring creditworthiness of the customers. Outstanding customer receivables are regularly monitored. The Group has computed credit loss allowances based on Expected Credit Loss model.

The ageing of trade receivables is as follows:

Particulars	₹ (in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Not Due	20,957.14	24,843.67
Less than 6 months	6,110.31	4,171.10
6 months - 1 year	443.81	174.83
1-2 years	57.92	90.24
2-3 years	154.79	428.99
More than 3 years	1,242.57	3,933.53
	28,966.54	33,642.36
Less: - Loss allowance	(451.38)	(3,183.47)
	28,515.16	30,458.89

Term Deposits and Bank Balances

The Group's exposure in term deposits with banks is limited, as the counterparties are highly rated banks.

(ii) Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

Tabulated below are Group's remaining contractual maturities of financial liabilities as at the reporting date with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

₹ (in Lakh)

March 31, 2024	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings	33,271.85	40,026.67	-	12,341.79	22,940.97	4,743.91
Lease liabilities	1,715.99	1,920.50	-	905.29	1,004.36	10.85
Other financial liabilities	33.05	33.05	-	33.05	-	-
Current						
Borrowings	32,493.91	35,045.19	35,045.19	-	-	-
Lease liabilities	821.39	1,023.97	1,023.97	-	-	-
Trade payables	32,463.91	32,463.91	32,463.91	-	-	-
Other financial liabilities	3,193.46	3,193.46	3,193.46	-	-	-
	103,993.56	113,706.75	71,726.53	13,280.13	23,945.33	4,754.76

₹ (in Lakh)

March 31, 2023	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings						
Foreign Currency Convertible Bonds (FCCBs)#	6,614.58	224.46	224.46	-	-	-
Term loans	34,194.95	52,113.97	8,788.39	8,927.27	24,227.49	10,170.82
Lease liabilities	1,433.06	1,621.03	-	667.16	942.34	11.53
Other financial liabilities	29.64	29.64	-	29.64	-	-
Current						
Borrowings	37,149.10	39,143.02	39,143.02	-	-	-
Lease liabilities	662.70	834.56	834.56	-	-	-
Trade payables	28,835.08	28,835.08	28,835.08	-	-	-
Other financial liabilities	6,392.14	6,392.14	6,392.14	-	-	-
	115,311.25	129,193.90	84,217.65	9,624.07	25,169.83	10,182.35

FCCBs have been converted into equity shares of the Company on May 12, 2023, i.e. after the end of the financial year . The cash flows shown above represent interest payable till the date of conversion.

(iii) Currency Risk

The Group's operations result in it being exposed to foreign currency risk on account of trade receivables, trade payables and borrowings. The foreign currency risk may affect the Group's income and expenses, or its financial position and cash flows. The objective of the Group's management of foreign currency risk is to maintain this risk within acceptable parameters, while optimising returns.

The Group uses derivative financial instruments such as foreign exchange forward contracts to hedge its risks associated with foreign exchange fluctuations. The outstanding position and notional value of forward exchange contracts is as under:

Figures (in Lakh)

Particulars	Currency Pair	As at March 31, 2024		As at March 31, 2023	
		Amount (USD)	Amount (₹)	Amount (USD)	Amount (₹)
Cash Flow Hedge					
Sell	USD / ₹	252.39	21,141.31	204.50	17,026.58
Fair Value Hedge					
Sell	USD / ₹	55.21	4,603.03	37.00	3,069.93

The movement in effective portion of Cash Flow Hedge Reserve (CFHR) is as under:

₹ (in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance as at beginning of the year	(9.07)	-
Net (losses) / gains recognised in CFHR	76.85	(181.49)
Amount re-classified from CFHR and included in the consolidated statement of Profit & Loss (due to settlement of contracts) within revenue from operations	(75.15)	167.55
Deferred tax	(0.60)	4.87
Balance as at end of the year	(7.97)	(9.07)

The Group's exposure to unhedged foreign currency denominated monetary assets and liabilities at the end of the reporting period expressed in ₹ (in lakh), is as follows:

a) Trade receivables

Figures (in Lakh)

Foreign Currency	As at March 31, 2024		As at March 31, 2023	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	173.24	14,443.88	171.87	13,912.93
EURO	29.77	2,768.79	24.89	2,381.33
MXP	706.14	6,865.61	434.15	1,759.18
RMB	75.45	815.48	85.16	1,021.30
BRL	-	-	103.43	1,486.64
		24,893.76		20,561.38

b) Loan and other receivable

Figures (in Lakh)

Foreign Currency	As at March 31, 2024		As at March 31, 2023	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	15.64	1,286.17	15.14	1,207.15
EURO	15.69	1,433.53	14.55	1,334.67
MXP	940.40	4,730.61	1,303.61	5,946.28
RMB	87.13	1,014.22	88.85	1,063.07
BRL	3.44	57.23	8.57	139.17
		8,521.77		9,690.34

c) Borrowings

Figures (in Lakh)

Foreign Currency	As at March 31, 2024		As at March 31, 2023	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	337.96	28,091.56	528.31	43,425.31
EURO	111.96	10,101.11	104.71	9,351.08
RMB	34.90	406.26	33.23	397.54
BRL	0.54	8.91	24.32	394.72
		38,607.84		53,568.65

d) Trade payable

Figures (in Lakh)

Foreign Currency	As at March 31, 2024		As at March 31, 2023	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	56.37	4,699.53	52.65	3,996.72
EURO	11.56	1,044.01	51.32	4,582.45
MXP	1,437.33	7,226.28	1,292.84	5,902.05
RMB	158.32	1,842.70	117.00	1,429.71
BRL	34.05	566.05	27.08	487.30
		15,378.57		16,398.23

e) Other payable

Figures (in Lakh)

Foreign Currency	As at March 31, 2024		As at March 31, 2023	
	Amount (in original currency)	Amount (in ₹)	Amount (in original currency)	Amount (in ₹)
USD	2.77	231.09	36.12	2,970.33
EURO	8.88	802.22	13.33	1,191.46
MXP	64.10	322.47	125.29	571.51
RMB*	(37.11)	(431.93)	136.52	1,633.27
BRL	23.28	387.01	30.82	500.31
		1,310.86		6,866.88

* includes negative non-controlling interest at CFS Wanglong Flavors (Ningbo) Co., Ltd.

The following significant exchange rates have been applied during the year:

Currency Pair	Year end spot rate as at	
	March 31, 2024	March 31, 2023
USD / ₹	83.3739	82.1807
EUR / ₹	90.2178	89.3070
MXP / ₹	5.0304	4.5614
BRL / ₹	16.6250	16.2310
RMB / ₹	11.6390	11.9640

Sensitivity for above exposures

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Group's profit or loss before tax and equity as at March 31, 2024 and March 31, 2023:

₹ (in Lakh)

Particulars	Impact on (loss) / profit before tax		Impact on equity	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
USD / ₹ increase by 5%	(973.82)	(1,411.91)	86.50	(273.85)
USD / ₹ decrease by 5%	973.82	1,411.91	(86.50)	273.85
EUR / ₹ increase by 5%	1.11	14.91	(410.77)	(787.91)
EUR / ₹ decrease by 5%	(1.11)	(14.91)	410.77	787.91
MXP / ₹ increase by 5%	-	-	(318.72)	294.04
MXP / ₹ decrease by 5%	-	-	318.72	(294.04)
BRL / ₹ increase by 5%	-	-	(65.10)	212.34
BRL / ₹ decrease by 5%	-	-	65.10	(212.34)
RMB / ₹ increase by 5%	-	-	(75.83)	(39.73)
RMB / ₹ decrease by 5%	-	-	75.83	39.73

(iv) 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 Group's exposure to risk of change in market interest rates relates primarily to its borrowings. The Group's borrowings are at floating rates and its future cash flows will fluctuate because of changes in market interest rates.

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period is as follows:

₹ (in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Liabilities		
Borrowings		
Fixed rate instruments		
Foreign Currency Convertible Bonds	-	13,453.63
Term loan	184.21	-
Loan from others	406.26	397.54
Variable rate instruments		
Term loans (including current maturities)	41,829.13	40,779.11
Cash credit	19,213.74	20,401.14
Other short term loans	4,132.42	2,927.21
	65,765.76	77,958.63
Financial Assets		
Fixed rate instruments		
Fixed deposits	1,347.62	541.21
Security deposits	1,517.61	1,627.97
	2,865.23	2,169.18

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate with other conditions remaining unchanged would have the following effect on Group's profit or loss before tax and equity as at March 31, 2024 and March 31, 2023. This calculation assumes that the change occurs at the Balance Sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period. The analysis assumes that all other variables, in particular foreign currency exchange rates remains constant.

₹ (in Lakh)

Particulars	Impact on (loss) / profit before tax		Impact on equity (Net of Tax)	
	100 BP increase	100 BP decrease	100 BP increase	100 BP decrease
Financial Liabilities				
Variable rate instruments - Borrowings				
Cash flow sensitivity				
March 31, 2024	(653.77)	653.77	(431.53)	431.53
March 31, 2023	(640.97)	640.97	(423.10)	423.10

45 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain an efficient capital structure and to maximise shareholder's value. The Management seeks to maintain a balance between higher returns that is achieved by raising funds through equity and the advantages by a sound capital position.

The Group monitors capital using a ratio of 'Net Debt to Equity'. For this purpose, Capital includes issued capital and all other equity reserves. Net Debt is defined as total borrowings less cash & bank balances and other current investments.

The Group's net debt to equity ratio is as follows:

₹ (in Lakh)		
Particulars	As at March 31, 2024	As at March 31, 2023
Non-current borrowings [#]	33,271.85	40,809.53
Current borrowings	32,493.91	37,149.10
Gross Debt	65,765.76	77,958.63
Less - Cash and cash equivalents	8,025.47	9,374.24
Less - Bank balances other than above	1,347.62	548.57
Net Debt	56,392.67	68,035.82
Total Equity	86,475.08	81,937.39
Net Debt to Equity ratio	0.65	0.83

[#] Non-current borrowings as on March 31, 2023 includes FCCBs, being compound financial instruments convertible into equity shares of the Holding Company at the option of the holder of bonds. The FCCBs have been converted into equity shares of the Holding Company on May 12, 2023.

46 RECOGNITION OF EFFECTS OF INFLATION IN COUNTRIES WITH HYPERINFLATIONARY ECONOMIC ENVIRONMENT

The effect of inflation on the Consolidated Statement of Profit and Loss on account of a subsidiary that operates in hyperinflationary economic environment is as under:

(₹ in Lakh)			
Particulars	Amount before hyperinflation effect	Effect of Inflation	For year ended March 31, 2024
INCOME			
Revenue from Operations	160,841.15	465.05	161,306.20
Other Income	1,433.42	122.22	1,555.64
Total Income	162,274.57	587.27	162,861.84

(₹ in Lakh)

Particulars	Amount before hyperinflation effect	Effect of Inflation	For year ended March 31, 2024
EXPENSES			
Cost of Materials Consumed	75,052.79	(391.33)	74,661.46
Purchases of Stock-in-Trade	10,696.42	729.45	11,425.87
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	5,262.85	11.93	5,274.78
Employee Benefits Expense	17,851.74	23.03	17,874.77
Finance Costs	6,030.49	-	6,030.49
Depreciation and Amortisation Expense	7,860.43	0.18	7,860.61
Other Expenses	44,998.90	(321.09)	44,677.81
Total Expenses	167,753.62	52.17	167,805.79
Loss before exceptional items and tax	(5,479.05)	535.10	(4,943.95)

On December 13, 2023, Government of Argentina devalued its currency by about 50%. Other expenses for the year ended March 31, 2024 include foreign exchange loss of ₹ 1,185.10 lakh on account of the aforesaid devaluation.

47 Group Information

The following entities have been considered in the preparation of Consolidated Financial Statements:

Sr. No.	Name of the Entity	Country of Incorporation	% of ownership interest either directly or indirectly through Subsidiaries	
			As at March 31, 2024	As at March 31, 2023
I	Subsidiaries			
	(a) Direct subsidiaries			
1	CFS Do Brasil Industria Comercio Importacao E Exportacao De Aditivos Alimenticios LTDA (CFS Do Brasil)	Brazil	100%	100%
2	Solentus North America Inc.	Canada	100%	100%
3	CFS North America LLC	USA	100%	100%
4	Chemolutions Chemicals Limited	India	94.08%	94.08%
5	CFS Wanglong Flavors (Ningbo) Co., Ltd. (Refer Note 47.1)	China	51%	51%
6	CFS Pahang Asia Pte Ltd.	Singapore	51%	51%
7	Dresen Quimica, S.A.P.I. de C.V. (Refer Note 47.2)	Mexico	100%	98.50%
8	CFS Europe S.p.A.	Italy	100%	100%
9	AlgaR Nutraceuticals Private Limited	India	80%	80%
10	CFS De Mexico Blends S.A.P.I. DE C.V. (Refer Note 47.3)	Mexico	100%	100%
11	CFS PP (M) SDN.BHD. (Refer Note 47.4)	Malaysia	51%	51%

Sr. No.	Name of the Entity	Country of Incorporation	% of ownership interest either directly or indirectly through Subsidiaries	
			As at March 31, 2024	As at March 31, 2023
(b)	Indirect subsidiaries			
1	Industrias Petrotec de Mexico, S.A. de C.V.	Mexico	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.
2	Britec, S.A.	Guatemala	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.
3	Inovel, S.A.S.	Colombia	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.
4	Nuvel, S.A.C.	Peru	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.
5	Grinel, S.R.L.	Republic of Dominicana	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.
6	CFS Argentina S.A. (Refer Note 47.5)	Argentina	100%	100%
7	CFS De Chile SpA	Chile	100% held by CFS Do Brasil	100% held by CFS Do Brasil

47.1 The Holding Company holds 7.65% stake and CFS Europe S.p.A, holds 43.35% stake in CFS Wanglong Flavors (Ningbo) Co., Ltd.

47.2 The Holding Company holds 65.99% stake and CFS De Mexico Blends S.A.P.I. DE C.V., holds 34.01% stake in Dresen Quimica, S.A.P.I. de C.V.

47.3 The Holding Company has participated in 50,000 shares of CFS De Mexico Blends S.A.P.I. DE C.V. its wholly owned subsidiary. The amount towards the aforesaid subscription has not been remitted as on March 31, 2024.

47.4 The Holding Company has incorporated CFS PP(M) SDN. BHD., a subsidiary in Malaysia. There are no operations in the Company during the year. No amount towards subscription of shares has been remitted as on March 31, 2024.

47.5 CFS Do Brasil holds 99.85% stake and CFS Europe S.p.A holds 0.15% stake in CFS Argentina S.A.

48 ADDITIONAL REGULATORY INFORMATION

- a)** The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- b)** None of the Indian Companies in the Group have been declared as wilful defaulter by any lender who has the powers to declare a company as wilful defaulter at any time during the financial year or after the end of the reporting period but before the date when financial statements are approved.
- c)** Each Indian Company in the Group has complied with the number of layers prescribed under clause 87 of section 2 of Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- d)** The Group does not have any approved scheme of Arrangement during the year.
- e)** No Group Company has advance or loaned or invested funds to any other person(s) or entity(ies), 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.
- f)** No Group Company has received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding that the Company shall;
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- g)** None of the Indian Companies in the Group have any transaction not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- h)** The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

49 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, PERTAINING TO THE HOLDING COMPANY AND SUBSIDIARIES

Sr. No.	Name of Entity in the Group	Net Assets		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (₹ in Lakh)	As % of Consolidated Profit/(Loss)	Amount (₹ in Lakh)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Lakh)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Lakh)
	Holding Company								
	Camlin Fine Sciences Limited	82.77	71,571.40	55.40	(5,138.92)	(0.24)	(4.46)	69.13	(5,143.38)
	Subsidiaries								
	Indian								
1	Chemolitions Chemicals Limited	0.33	285.62	1.28	(118.44)	-	-	1.59	(118.44)
2	AlgaIR Nutraceuticals Private Limited	(1.32)	(1,143.87)	3.65	(338.91)	(0.03)	(0.53)	4.56	(339.44)
	Foreign								
1	CFS Europe S.P.A	18.44	15,945.33	163.36	(15,152.06)	12.61	231.44	200.55	(14,920.62)
2	CFS Do Brasil Industria Comercio Importacao E Exportacao De Aditivos Alimenticios LTDA	(4.15)	(3,591.55)	(5.14)	476.95	(5.83)	(107.02)	(4.97)	369.93
3	Solentus North America Inc	(0.45)	(391.67)	0.24	(21.90)	(0.29)	(5.30)	0.37	(27.20)
4	CFS North America LLC	(3.51)	(3,032.69)	(52.37)	4,857.84	(4.30)	(78.86)	(64.23)	4,778.98
5	Dresen Quimica S.A.P.I de C.V. (Refer Note)	30.95	26,760.34	(53.10)	4,925.59	127.86	2,346.75	(97.75)	7,272.34
6	CFS De Mexico Blends S.A.P.I. DE C.V.	(2.76)	(2,385.37)	(0.23)	21.62	(44.40)	(814.95)	10.66	(793.33)
7	CFS Wanglong Flavors (Ningbo) Co. Ltd.	(0.64)	(554.45)	31.09	(2,884.07)	(8.96)	(164.43)	40.97	(3,048.50)
8	CFS Argentina SA	(2.11)	(1,822.47)	12.05	(1,117.50)	18.02	330.77	10.57	(786.73)
9	CFS Chile SpA	0.16	136.22	0.94	(87.42)	(2.09)	(38.45)	1.69	(125.87)
10	CFS Pahang Asia Pte Ltd.	0.02	19.35	0.04	(3.29)	0.00	0.02	0.04	(3.27)
11	CFS PP (M) SDN. BHD. (Refer Note 47.5)	-	-	-	-	-	-	-	-
	Total	117.73	101,796.19	157.21	(14,580.51)	92.35	1,694.98	173.18	(12,885.53)

Sr. No.	Name of Entity in the Group	Net Assets		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (₹ in Lakh)	As % of Consolidated Profit/(Loss)	Amount (₹ in Lakh)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Lakh)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Lakh)
a)	Consolidation eliminations/ adjustments	(18.63)	(16,101.15)	(44.13)	4,093.00	5.53	101.43	(56.37)	4,194.43
b)	Non-Controlling Interests								
	Indian Subsidiaries								
	Chemolutions Chemicals Limited	0.02	16.23	0.08	(7.01)	-	-	0.09	(7.01)
	Algair Nutrapharms Private Limited	(0.41)	(354.77)	0.73	(67.77)	-	-	0.91	(67.77)
	Foreign Subsidiaries								
	CFS Wanglong Flavors (Ningbo) Co. Ltd.	(0.52)	(451.11)	12.25	(1,135.78)	(2.12)	(38.95)	15.79	(1,174.73)
	CFS Pahang Asia Pte Ltd.	0.01	9.61	0.02	(1.61)	-	-	0.02	(1.61)
	CFS PP (M) SDN. BHD. (Refer Note 47.5)	-	-	-	-	-	-	-	-
	Total Non-Controlling Interest	(0.90)	(780.04)	13.08	(1,212.17)	(2.12)	(38.95)	16.81	(1,251.12)
	Total Consolidated	100.03	86,475.08	100.00	(9,275.34)	100.00	1,835.36	100.00	(7,439.98)

Note The numbers for Dresen Quimica S.A.P.I. de C.V. shown above are consolidated numbers of Dresen Quimica and its five subsidiaries.

50 Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification and are considered to be not material.

Form AOC-I

Statement pursuant to first proviso to sub-section (3) of Section 129 of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, in the prescribed form AOC-I relating to Subsidiary Companies and Associate.

Part "A": Subsidiaries

(All amounts in ₹ lakh, except exchange rate)

Sr. No.	Name of Subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Proposed Dividend	% of Shareholding
1	CFS Europe S.p.A.	Apr 23 to Mar 24	EUR	90.22	1,053.23	14,892.10	30,438.26	14,664.87	171.92	22,705.26	(15,183.82)	31.76	(15,152.06)	-	100%
2	CFS Do Brasil Importacao E Exportacao De Aditivos Alimenticios LTDA.	Apr 23 to Mar 24	BRL	16.63	1,603.11	(5,194.66)	14,743.16	18,456.99	122.28	15,044.89	620.87	(143.92)	476.95	-	100%
3	Solentus North America Inc	Apr 23 to Mar 24	CAD	61.62	56.01	(447.68)	2.70	394.37	-	-	(21.90)	-	(21.90)	-	100%
4	CFS North America LLC	Apr 23 to Mar 24	USD	83.37	978.17	(4,010.86)	7,270.59	10,303.28	-	25,522.07	3,445.43	1,412.41	4,857.84	-	100%
5	Dresen Quimica, S.A.P.I. de C.V. ^#	Apr 23 to Mar 24	MXP	5.03	3,874.08	21,843.77	31,360.50	12,369.68	6,727.03	47,120.99	7,059.62	(2,066.61)	4,993.01	-	100%
6	Industrias Petrotec de Mexico, S.A. de C.V. ^#	Apr 23 to Mar 24	MXP	5.03	5.49	724.10	1,338.38	608.79	-	4,145.61	119.16	90.61	209.77	-	100%
7	Inovel, S.A.S.^#	Apr 23 to Mar 24	MXP	5.03	112.50	1,704.93	2,567.95	750.52	-	2,696.10	359.55	(139.35)	220.20	-	100%
8	Nuvel, S.A.C.^#	Apr 23 to Mar 24	MXP	5.03	42.78	1,579.11	2,526.20	904.31	-	2,111.03	13.19	-	13.19	-	100%
9	Britec, S.A.^#	Apr 23 to Mar 24	MXP	5.03	43.02	943.21	1,498.66	512.42	-	2,346.65	39.40	(9.85)	29.55	-	100%
10	Grinel, S.R.L. ^#	Apr 23 to Mar 24	MXP	5.03	2.06	-	2.06	-	-	-	-	-	-	-	100%
11	Chemolutions Chemicals Limited	Apr 23 to Mar 24	INR	1.00	676.70	(391.08)	292.76	714	-	-	(104.49)	(13.95)	(118.44)	-	94.08%
12	CFS Wanglong Flavors (Ningbo) Co.Ltd.*	Apr 23 to Mar 24	CNY	11.64	7,798.63	(8,353.08)	14,243.73	14,798.18	-	-	(2,849.57)	(34.50)	(2,884.07)	-	51%
13	CFS Argentina SA	Apr 23 to Mar 24	ARG	0.10	71.83	(1,894.30)	1,376.55	3,199.02	-	1,483.46	(1,081.05)	(36.45)	(1,117.50)	-	100%
14	CFS Chile SpA	Apr 23 to Mar 24	CLP	0.09	50.46	85.76	491.19	354.97	-	1,110.50	(87.42)	-	(87.42)	-	100%
15	CFS Pahang Asia Pte Ltd.	Apr 23 to Mar 24	SGD	61.81	35.11	(15.76)	22.02	2.67	-	-	(3.29)	-	(3.29)	-	51%
16	AlgalR Nutrapharms Private Limited	Apr 23 to Mar 24	INR	1.00	115.00	(1,258.87)	601.40	1,745.27	-	186.93	(338.91)	-	(338.91)	-	80%
17	CFS De Mexico Blends S.A.P.I. DE C.V.	Apr 23 to Mar 24	MXP	5.03	0.00	(2,385.37)	47.62	8,777.79	6,344.80	-	192.89	(171.27)	21.62	-	100%
18	CFS PP (M) SDN. BHD.@	Apr 23 to Mar 24	MYR	17.65	-	-	-	-	-	-	-	-	-	-	51%

^ The numbers shown above are unconsolidated numbers (before intercompany eliminations).

* The Company holds 7.65% stake and CFS Europe S.p.A, holds 43.35% stake in CFS Wanglong Flavors (Ningbo) Co. Ltd.

The Company holds 65.99% stake and CFS De Mexico Blends S.A.P.I. DE C.V., holds 34.01% stake in Dresen Quimica, S.A.P.I. de C.V. and its subsidiaries.

@ The Company has incorporated CFS PP(M) SDN. BHD., a subsidiary in Malaysia. There are no operations in the Company during the year. No amount towards subscription of shares has been remitted as on March 31, 2024.

Part “B”: Associates and Joint Ventures

1	Name of Associate	NA
2	Latest audited Balance Sheet Date	NA
3	Shares of Associate held by the company on the Year end	
	Number of Shares	NA
	Amount of Investment in Associate	NA
	Extend of Holding %	NA
4	Description of how there is Significant Influence	NA
5	Reason why the Associate is not consolidated	NA
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in lakh)	NA
7	Profit for the Year	
	i. Considered in Consolidation (₹ in lakhs)	NA
	ii. Not Considered in Consolidation (₹ in lakhs)	NA
8	Names of associates or joint ventures which are yet to commence operations	NA

For and on behalf of the Board

Ashish Dandekar

Chairman & Managing Director
DIN: 01077379

Nirmal Momaya

Managing Director
DIN: 01641934

Santosh Parab

Chief Financial Officer

Rahul Sawale

Company Secretary & VP – Legal
Membership Number: A 29314

Mumbai, Dated: May 20, 2024

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Consolidated Financial Statements included in the section “*Financial Statements*” on page 111:

Particulars	Consolidated	
	Six months period ended September 30, 2024	Fiscal 2024
Basic Earning Per Share (₹)	(8.01)	(5.58)
Diluted Earning Per Share (₹)	(7.94)	(5.50)
Return on Net Worth (%)	-19.45%	-10.73%
Net Asset Value per Equity Share (₹)	41.18	51.64
Profit after tax (₹ in lakhs)	(15,075.80)	(10,487.51)
EBITDA (₹ in lakhs)	7,534.48	8,947.15

The formulae used in the computation of the above ratios are as follows:

Basic Earning Per Share	Profit for the year attributable to owners of the Company / Weighted average number of Equity Shares as outstanding at the end of the year
Diluted Earning Per Share	Profit for the year attributable to owners of the Company / Weighted average number of Equity Shares as outstanding at the end of the year, after adjustment for the effects of all dilutive potential equity shares
Return on Net Worth (%)	Profit for the year attributable to the owners of the Company / Net Worth (“Equity attributable to the owners of the Company”)
Net Asset Value per Equity Share	Net Worth (“Equity attributable to the owners of the Company”) / Number of Equity Shares issued, subscribed and fully paid outstanding as at the year end
Net Worth	Equity share capital plus other Equity
EBITDA	Profit for the year plus total tax expenses plus finance costs plus depreciation and amortisation expenses

a) Calculation of Net Worth and Return on Net Worth:

(₹ in lakhs)

Particulars	Consolidated	
	Six months period ended September 30, 2024	Fiscal 2024
Profit attributable to owners of the Company (A)	(13,418.57)	(9,275.34)
Equity Share capital (B)	1,674.95	1,674.65
Other equity (C)	67,301.82	84,800.43
Net Worth (D)= [B+C]	68,976.77	86,475.08
Return on Net Worth [A / D] * 100 (%)	-19.45%	-10.73%

b) Calculation of Net asset value per Equity Share:

(₹ in lakhs)

Particulars	Consolidated	
	Six months period ended September 30, 2024	Fiscal 2024
Equity Share capital (A)	1,674.95	1,674.65
Other equity (B)	67,301.82	84,800.43
Net Worth (C) [A + B]	68,976.77	86,475.08
No. of Equity shares issued, subscribed and fully paid (D)	16,74,95,207	16,74,65,207
Net Asset Value per Equity Share [C / (D/10⁵)]*	41.18	51.64

c) Calculation of EBITDA

(₹ in lakhs)

Particulars	Consolidated	
	Six months period ended September 30, 2024	Fiscal 2024
Profit for the year (A)	(15,075.80)	(10,487.51)
Total tax expenses (B)	(1,502.97)	563.16
Finance costs (C)	4,979.56	6,030.49
Depreciation and amortisation expense (D)	4,080.29	7,860.61
Exceptional items (E)	15,103.90	4,980.40
Share of profit of associate (F)	50.50	-
EBITDA (A+B+C+D+E-F)	7,534.48	8,947.15

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

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 111 of this LOF. Unless otherwise indicated or the context requires, the financial information for Fiscal 2024 and Fiscal 2023 included herein is derived from our Audited Consolidated Financial Statements, as of and for the year ended March 31, 2024 and 2023 and our Limited Reviewed Financial Statements as of and for the six months ended September 30, 2024 and 2023. Financial information as of and for the six months ended September 30, 2024 and 2023 are not indicative of future operating results and are not comparable with annual financial information.

Our Audited Financial Statements as of and for the year ended March 31, 2024 and 2023 in this Letter of Offer have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the SEBI ICDR Regulations, each as amended. Our Limited Reviewed Financial Statements as of and for the six months ended September 30, 2024 and 2023 have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and pursuant to the requirements of Regulations 33 and 52(4), read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. These financial statements may differ in certain significant respects from generally accepted accounting principles in other countries, including IFRS and U.S. GAAP. Our Company's financial 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.

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 21 of this LOF for a discussion of the risks and uncertainties related to those statements. You should also read the sections "Risk Factors", "Industry Overview", "Financial Statements" and "Our Business" on pages 26, 83, 111 and 89, respectively of this LOF, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Prospective investors in the Equity Shares are cautioned not to place undue reliance on these forward-looking statements.

Unless otherwise specified or the context requires, references in this section to the "Company" or the "Issuer" are to Camlin Fine Sciences Limited on a standalone basis, and references to "Group", "we", "us" or "our" are to Camlin Fine Sciences Limited and its consolidated subsidiaries, associates and joint venture companies as per Ind AS, as at and during the relevant year or period end and as the context requires.

Overview

We are a vertically integrated company, engaged in research, development, manufacturing, commercialising, and marketing of speciality chemicals and blends which are used in a wide array of food, feed, animal and pet nutrition, fragrance, pharma and industrial products. We market our products globally including in Europe, Asia Pacific (including India), Africa, Middle East, South, Central and North America. We categorise our business into four different verticals based on our product portfolio, namely: (i) Diphenols; (ii) Shelf-life Extension Solutions (which include antioxidants, its value-added blends, ingredients and additives); (iii) Performance Chemicals; (iv) Aroma ingredients. We have recently achieved a significant milestone in developing a high-quality specialised grade for Hydroquinone, leading us into the crucial phase of conducting plant trials. We have also successfully developed and implemented enhanced quality of antioxidants, tailored specifically for discerning customers. These products have smoothly transitioned from R&D to full-scale production and have made market debut. Our newest offerings include emulsifier-based ingredients designed to enhance texture, consistency, mouthfeel, appearance, process efficiency and yield for diverse range of food industry applications.

Significant Factors Affecting Our Results of Operations and Financial Condition

Our financial condition and results of operations have been affected and will continue to be affected by various factors including the following factors of particular importance:

Price Pressure

To a certain degree, we are affected by the price pressure to which our customers are subject, because they try to pass this pressure on to their suppliers, including us. This effect is moderated by the fact that, our shelf life extension products make up only a relatively small proportion of the total cost of our customers' finished products. We try to offset the effects of this price pressure on our margins by increasing the productivity of our operations and focusing on cost efficiency in our procurement of raw materials. In addition, we try to use our technological and innovative strength in various areas to lay greater emphasis on innovative products, which generally achieve higher margins and are less susceptible to price pressure.

There is strong competition between manufacturers of chemical products. Customers value the technological and innovative strength of the manufacturers, rather than on the basis of price. As a result, for our blends and additives business face lesser price pressures as compared to our standardized products which are also produced by other manufacturers as well.

Fluctuations in the Prices of Raw Materials

A large portion of our production costs are attributed to the price of our raw materials and consumption of raw materials accounted for a significant portion of our total expenses. The prices of raw materials which we commonly use in our manufacturing process are Diphenols, which has witnessed volatility in the past. The prices of these raw materials depend on market developments, which are influenced by factors such as the market prices of base substances, for example crude oil, in the case of our synthetic raw materials. We may not be able to pass on such price increases to our customers.

Research, Product Development and Product Portfolio

Our business depends to a significant degree on our ability to successfully conduct research and development with respect to our products and to adapt our existing product offering to customer requirements. Innovation from our research and development and creation activities is a basic prerequisite for sustainable success. Our R&D units are focused on developing chemical compounds, new manufacturing processes, improving existing processes and new chemistry with a focus on developing new derivatives of Diphenols or improving the commercial viability thereof. As a result of our research and development efforts and operating history, we are able to produce products across our four verticals, namely (a) Diphenols; (b) Shelf-life Extension Solutions; (c) Performance Chemicals; and (d) Aroma Ingredients. This process is both time consuming and costly and involves a high degree of business risk. To develop our product portfolio, we commit substantial time, funds and other resources. We expect our research and development expenses to increase in line with our business and operations. In addition, our research staff is critical to the success of our research and development efforts. Our investment in research and development for future products and to bring about efficiencies in our manufacturing processes could result in higher costs without a proportionate increase in income. In addition, we must adapt to rapid changes in our industry due to technological advances and scientific discoveries. If our existing products become obsolete, and we are unable to effectively introduce new products, our business and results of operations could be adversely affected. Although we strive to keep our technology, facilities and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become obsolete. The cost of implementing new technologies, upgrading our manufacturing facilities and retaining our research staff could be significant and could adversely affect our profitability.

Government and Other Regulatory Approvals

We have focused on broadening our income base to cover India as well as several other countries. As a result, our products are subject to regulation by numerous Indian and foreign regulatory agencies and similar agencies in other jurisdictions. Each of these agencies requires us to comply with laws and regulations governing the development, testing, manufacturing, marketing and distribution of our products and we are required to maintain various approvals, licenses, registrations and permissions for our business activities which are lengthy and expensive.

Our business, prospects, results of operations and financial condition could be adversely affected if we fail to obtain, or comply with applicable conditions that may be attached to, our approvals, licenses, registrations and permissions. Further, even if we obtain all necessary approvals and licenses to sell a product in a particular market,

regulatory agencies may reassess the safety of our products which may result in the withdrawal of the existing approvals, which in turn could result in loss of income.

Industry Competition and Consolidation

Our products face intense competition from products commercialized or under development by competitors in our product verticals. Our business, prospects, results of operations and financial condition could be adversely affected if our competitors gain significant market share in areas in which we are focused. Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining approvals, greater geographic reach, broader product ranges and stronger sales forces. We also operate in a rapidly consolidating industry. Our competitors are consolidating, and the strength of the combined companies could affect our competitive position in all of our business areas.

Accordingly, our results of operations depend significantly on various factors such as the demand for our products in the markets we operate in, our ability to manage our growth strategy and expansion plans, including our ability to grow our exports and our ability to grow and manage our distribution network in India.

Material Accounting Policies

A. Group Overview

Camlin Fine Sciences Limited (“the Holding Company”) including its subsidiaries, collectively referred to as “the Group” is engaged in research, development, manufacturing and marketing of speciality chemicals, ingredients and additive blends. The Holding Company is a public listed Company incorporated and domiciled in India having its registered office at Floor 2 to 5, In G.S. Point, CST Road, Kalina, Santacruz (East) Mumbai 400 098. The Holding Company is listed on BSE Limited and National Stock Exchange of India Ltd.

The Financial Statements of the Group for the year ended March 31, 2024 are approved by the Board of Directors on May 20, 2024.

B. Basis of Preparation of Consolidated Financial Statements

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Amendment Rules as amended from time to time. The Group’s Financial Statements for the year ended March 31, 2024 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows, Statement of Changes in Equity and the Notes to Consolidated Financial Statements.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

Functional and Presentation Currency

The financial statements are presented in Indian rupee, which is the functional currency of the Holding Company. All financial information has been rounded to the nearest lakh, unless otherwise indicated.

a) **Basis of Measurement**

The Financial Statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for:

- certain financial assets and liabilities, including financial instruments which have been measured at fair value or amortised cost as described below.
- defined benefit plans which have been measured on the basis of actuarial valuation as required by relevant Ind ASs.
- financial statements of a subsidiary whose functional currency is the currency of hyperinflationary economy are stated in terms of the measuring unit at the end of the reporting period.

b) **Key Accounting Estimates and Judgements:**

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities, are included in the following notes:

- i. Determination of the estimated useful lives of property, plant and equipment and intangible assets.
- ii. Recognition and measurement of defined benefit obligations, key actuarial assumptions.
- iii. Fair valuation of employee share options, key assumptions made with respect to expected volatility and dividend yield.
- iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.
- v. Recognition of deferred tax assets.
- vi. Fair value of financial instruments, including derivative contracts and applicable discount rate.
- vii. Impairment of financial and non-financial assets.
- viii. Measurement of Lease Liabilities and Right of Use Assets.
- ix. Key assumptions used in discounted cash flow projections.

c) **Measurement of fair values**

The Group's accounting policies and disclosures require the financial instruments to be measured at fair values.

The Group has an established control framework with respect to measurement of fair values. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusions that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

C. Recent Accounting Developments

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

D. Significant Accounting Policies

a) Business Combination

The Group accounts for each business combination (other than common control transactions) by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as of the applicable acquisition date at excess of the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (measured at fair value) of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised as capital reserve on consolidation.

Transaction costs that the Group incurs in connection with a business combination are expensed as incurred

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Put options issued to non-controlling interests are recognised as a liability and the subsequent changes in fair value of the put option liability are recognised in Consolidated Statement of Profit and Loss.

Common control transactions are accounted for based on pooling of interests method where the assets and liabilities of the acquiree are recorded at their existing carrying values, the identity of reserves of the acquiree is preserved and the difference between consideration and the face value of the share capital of the acquiree is adjusted with capital reserve on consolidation.

The financial information in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements irrespective of the actual date of the combination.

b) Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are

included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of Profit & Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in Consolidated Statement of profit or loss. Subsequently, it is accounted for as an equity-accounted investee depending on the level of influence retained.

c) **Associates**

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

d) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

e) **Acquisition of non-controlling interests**

Acquisition of some or all of the non-controlling interest ("NCI") is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the Holding company. The associated cash flows are classified as investing activities. No goodwill is recognised as a result of such transaction. Obligation to acquire non-controlling interests is regarded as a financial liability.

f) **Basis of Consolidation**

I. Principles of consolidation

- (i) The consolidated financial statements relate to Camlin Fine Sciences Limited, its subsidiaries and an associate.
- (ii) Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over a subsidiary.
- (iii) The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are fully eliminated while preparing these consolidated financial statements.
- (iv) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company.
- (v) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their policies in line with the Group's accounting policies.

II. Investments in Associate

An associate is an entity over which the Group has significant influence. Investment in associate is accounted by using the equity method of accounting, after initially being recognised at cost.

g) Property, Plant & Equipment

(i) Recognition and Measurement

Property, plant and equipment is initially measured at cost net of tax credit availed less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

When significant parts of Property, Plant and Equipment are required to be replaced, the Group recognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly.

Revaluation of property, plant and equipment is made for a class of property, plant and equipment. Any increase in the carrying amount of property, plant and equipment is recognised (net of tax) in other comprehensive income and accumulated in equity under the heading revaluation surplus. The difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost is transferred from revaluation surplus to retained earnings.

(ii) Depreciation

Depreciable amount for property, plant and equipment is the cost of property, plant and equipment less its estimated residual value.

Depreciation is provided on Straight Line Method over the estimated useful lives of the property, plant and equipment prescribed under Schedule II to the Companies Act, 2013 on pro rata basis. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on internal technical evaluation.

The estimated useful lives, residual values and depreciation methods are reviewed by the management at each reporting date and adjusted if appropriate.

(iii) Disposal or Retirement

Property, plant and equipment are derecognised either on disposal or when no economic benefits are expected from its use. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised in the Consolidated Statement of Profit and Loss in the year of occurrence.

h) Capital Work In Progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/expansion is also treated as capital work in progress and capitalized along with the asset.

i) **Leases**

The Group assesses whether a contract contains a lease at the inception of the contract. Leases of assets (other than short term leases or leases for which the underlying asset is of low value) are recognised if the lease contract conveys the right to the Group to control the use of an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time, if throughout the period of lease, the Group has both of the following:

- a) The right to obtain substantially all of the economic benefits from use of the identified asset.
- b) The right to direct the use of the identified asset.

At the date of commencement of lease, the Group recognises a Right-Of-Use asset and a corresponding lease liability for all lease arrangements in which it is a lessee except for leases for a term of twelve months or less (short term leases) and low value leases. For short term leases and low value leases, the Group recognises the lease payments as an expense on a straight-line basis over the lease term. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

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. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of future lease payments. The lease payments are discounted using the incremental borrowing rate in the country of domicile of the leases. The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or if Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease Liabilities and Right-of-Use Asset have been presented separately in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

j) **Intangible Assets**

(i) **Initial Recognition**

Acquired Intangible Assets

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.

Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following conditions have been met:

- a) It is technically feasible to complete the intangible asset so that it will be available for use or sale
- b) There is an intention to complete the asset.
- c) There is an ability to use or sell the asset.
- d) The asset will generate future economic benefits.
- e) Adequate resources are available to complete the development and to use or sell the asset.
- f) The expenditure attributable to the intangible asset during development phase can be measured reliably.

Where no internally generated intangible asset can be recognised, the development expenditure is recognised in the Consolidated Statement of Profit and Loss in the period in which it is incurred.

(ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the Straight-Line Method over their estimated useful lives, and is recognised in Consolidated Statement of profit and loss.

Estimated useful lives by major class of intangible assets are as follows:

Software - 3 to 6 years

Technical know-how - 5 to 41 years

(iii) Derecognition

An item of intangible asset is derecognised either on disposal or when no economic benefits are expected from its use. The gain or loss arising from disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and recognised in the Consolidated Statement of Profit and Loss in the period of occurrence.

k) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

If the recoverable amount of asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of an asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

l) Investment in Associate (Equity accounted investees)

Investment in associate is accounted by using the equity method of accounting, after initially being recognised at cost. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in associate, the difference between net disposal proceeds and the carrying amounts are recognized in the Consolidated Statement of Profit and Loss.

m) Financial Instruments

A financial instrument is any contract that gives rise to financial asset of one entity and financial liability or equity instrument of another entity.

I. Financial Assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

(i) Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

(ii) Subsequent measurement and classification

For the purpose of subsequent measurement, the financial assets are classified into three categories on the basis of its business model for managing the financial assets

- Financial assets at amortised cost
- Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)
- Financial assets at Fair Value Through Profit or Loss (FVTPL)

(iii) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold assets for collecting contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment, if any. The EIR amortisation is included in other income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

(iv) Financial asset at Fair Value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income (FVTOCI) if it 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.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Interest income measured using the EIR method and impairment losses, if any are recognised in the Consolidated Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from equity to 'other income' in the Consolidated Statement of Profit and Loss.

(v) Financial Asset at Fair Value through profit or loss (FVPTL)

A financial asset which are not classified in any of the above categories are measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Consolidated Statement of Profit and Loss.

(vi) **Financial Assets as Equity Investments**

All equity instruments other than investment in associate are initially measured at fair value; the Group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. A fair value change on an equity instrument is recognised as other income in the Consolidated Statement of Profit and Loss unless the Group has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Consolidated Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Consolidated Statement of Profit and Loss.

(vii) **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(viii) **Impairment of Financial Assets**

The Group recognizes loss allowance using the Expected Credit Loss (ECL) model for financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The application of simplified approach does not require the Group to track changes in credit risk.

II. Financial Liabilities

(i) **Classification**

The Group classifies all financial liabilities as subsequently measured at amortised cost except hybrid instruments with embedded derivatives where the embedded derivative cannot be measured separately either at inception or at the end of a subsequent reporting financial period in which case it is measured at Fair Value Through Profit or Loss. In case the embedded derivatives can be separated, the same is measured at Fair Value Through Profit or Loss and the host contract is measured at amortised cost.

(ii) **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

(iii) **Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by

taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised.

(iv) Compound financial instruments

Compound financial instruments issued by the Holding Company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, FCCB being a hybrid contract, if the embedded derivative can be separated and measured, then the same is measured at fair value and designated as FVTPL, while the remaining liability component is subsequently measured at amortised cost using Effective Interest Rate method. The equity component of a compound financial instrument is not remeasured subsequently.

(v) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

III. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(i) Cash flow hedge

The Group classifies foreign exchange forward contracts that hedge foreign currency risk associated with highly probable forecast transactions as cash flow hedge and measures them at fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss, and is included in the 'Other income/expenses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion (as described above) are reclassified to the consolidated profit or loss in the periods when the hedged item affects consolidated profit or loss, in the same line as the recognised hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised in profit or loss.

(ii) **Fair value hedge**

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

IV. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

V. Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

n) **Inventories**

Inventories are valued at lower of cost and net realizable value. Costs are computed on weighted average basis and are net of GST credits.

Raw materials, packing materials and stores: Cost includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition.

Finished Goods and Work in Progress: In case of manufactured inventories and work in progress, cost includes all costs of purchase, an appropriate share of production overheads based on the normal operating capacity and other costs incurred in bringing the inventories to the present location and condition. In case of joint products, the costs are allocated on a rational and consistent basis.

Net Realizable Value: Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

o) **Cash and Cash Equivalents**

Cash and cash equivalents in the Consolidated Balance Sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flow, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

p) **Provisions, Contingent Liabilities and Contingent Assets**

(i) **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ii) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(iii) Contingent Assets

Contingent Assets are not recognised in the Consolidated Financial Statements. Contingent Assets if any, are disclosed in the notes to the Consolidated Financial Statements.

q) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated.

r) Revenue Recognition

(i) Sale of Goods

- Revenue from the domestic sales are recognised net of returns and allowances, trade discounts and volume rebates upon delivery which is when the control of the goods passes to the Customer and performance obligation is met at a point in time.
- Revenue from the export sales are recognised net of returns and allowances, trade discounts and volume rebates upon delivery, usually on the basis of dates of bill of lading which is when the control of the goods passes to the Customer and performance obligation is met at a point in time.

(ii) Sale of services

Revenue is recognised from sale of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. In case of services rendered by the Holding Company pertaining to scaling of production process, engineering assistance, pilot projecting etc, revenue is recognised when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts.

(iii) Export Incentives

Revenue from export incentives are accounted on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

(iv) Interest Income

- a) Interest income is recognized as the interest accrues (using the effective interest rate, that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).
- b) Interest income on fixed deposits with banks is recognised on time basis.

(v) Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

s) Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

(i) Short term employee benefits:

Liabilities for wages, salaries, bonus and medical benefits including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Consolidated balance sheet.

(ii) Post-Employment Benefits:

Defined Contribution Plans

Payments to defined contribution plans for eligible employees in the form of superannuation fund and the Company's contribution to Provident Fund are recognised as an expense in the Consolidated Statement of Profit and Loss as the related service is provided.

Defined Benefit Plans

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in current and prior periods, after discounting the same. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. The defined benefit obligation recognised in the Consolidated Balance Sheet represent the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any defined benefit asset (negative defined benefit obligation resulting from this calculation) representing the present value of available refunds and reductions in future contributions to the plan is recognised.

All expenses represented by current service cost, past service cost, if any, and net interest expense / (income) on the net defined benefit liability / (asset) are recognised in the Consolidated Statement of Profit and Loss. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses are recognised immediately in Other Comprehensive Income (OCI).

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

Other long term employee benefits represent liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the service. These liabilities are measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Re-measurements are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise. Actuarial gains and losses in respect of such benefits are charged to the Consolidated Statement of Profit and Loss in the period in which they arise.

t) Share-Based Payment

Employees Stock Options Plans ("ESOPs"): The fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding".

u) **Government Grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The benefit of loans or similar assistance provided by governments or related institutions, with an interest rate below the current applicable market rate is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the consolidated statement of profit and loss in the period in which they become receivable.

v) **Borrowing Cost**

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs also include exchange differences on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs pertaining to the period from commencement of activities relating to the construction / development of qualifying asset till the time all activities necessary to prepare the qualifying asset for its intended use or sale are complete are capitalised. Any income earned from temporary investment of borrowed funds is deducted from borrowing costs incurred.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready to its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

w) **Foreign Currency Transactions / Translations**

Transactions in foreign currencies are initially recorded at the functional currency spot rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies and remaining unsettled at the reporting date are translated into the functional currency at the exchange rate prevailing on the reporting date.

Non- monetary items that are measured based on historical cost in a foreign currency are not translated.

Exchange differences arising on settlement of transactions or translation of monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in the previous financial statements are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise except for exchange differences recognised as a part of qualifying assets.

In case of foreign operations whose functional currency is different from the Holding Company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognised in Other Comprehensive Income / (Loss) and accumulated within equity as a part of Foreign Currency Translation Reserve (FCTR). The financial statements of a subsidiary whose functional currency is the currency of hyperinflationary economy, the inflation effects of origin country are

recognised and subsequently translated into reporting currency. When a foreign operation is disposed of, in part or in full, the relevant amount in FCTR is transferred to the Consolidated Statement of Profit and Loss.

x) **Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

(i) **Current Tax**

Current tax is determined as the amount of tax payable or recoverable in respect of taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates that are enacted or substantively enacted at the reporting date.

In case of Indian entities, Minimum Alternate Tax (MAT) is accounted as current tax when these entities are subjected to such provisions of the Income Tax Act, 1961. However, credit of such MAT paid is available when these entities are subject to tax as per normal provisions in the future.

Current tax assets and liabilities are offset only if, the Group:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) **Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are amounts of income taxes in future periods in respect of deductible temporary differences, unused tax losses, and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

MAT (Minimum Alternate Tax) credit is recognised as an asset only when, and to the extent, there is convincing evidence that the Group will pay normal income tax during the specified period and the said is created by way of credit to the Consolidated Statement of Profit and Loss and shown as MAT credit entitlement. The Group reviews carrying amount of MAT credit at each reporting date and writes down the same to the extent that there is no longer convincing evidence to the effect that the Group will pay

normal income tax during the period.

y) **Recognition of effects of inflation in countries with hyperinflationary economic environment**

The Group recognises the effect of inflation on the financial statements of a subsidiary that operates in hyperinflationary economic environment which consists of:

- using inflation factors to restate non-monetary assets such as inventories, property, plant and equipment including related costs and expenses when such assets are consumed or depreciated.
- applying inflation factors to restate capital stock, net income, retained earnings by the necessary amount to maintain the purchasing power equivalent in the currency of the country on the dates when such capital was contributed or income was generated upto the reporting date.
- include the gain or loss in consolidated statement of profit and loss.

The Group restates the financial information of subsidiary that operates in hyperinflationary economic environment using the general price index of the country.

z) **Earnings per share**

Basic earnings per share are computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares outstanding during the year adjusted for the effect of all dilutive potential equity shares.

aa) **Dividend**

The Group recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Group on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

bb) **Segment Reporting**

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) which is a single business segment in Speciality Chemicals

cc) **Events after reporting period**

When events occur after the reporting period provide evidence of the conditions that existed at the end of the reporting period, the impact of such events is adjusted in the financials statements. Otherwise, events after the reporting period of material size or nature are only disclosed.

Presentation of Financial Information

Segment Information

Our Company operates primarily in the segment of specialty chemicals and hence has only one reportable product segment.

Income and Expenditures

Our income and expenditures are determined and reported in the following manner:

Income

Total income consists of revenue from operations and other income.

Revenue from Operations: Income from operations primarily comprises sale of our finished goods, traded goods and services.

- *Sale of products:* Sale of products comprises of sales of finished goods that we manufacture at our manufacturing facilities and trading sales; and
- *Other Operating Income:* Other Operating income comprises primarily of export / import incentives, service income and scrap sales.

Other Income: Other Income comprises primarily of interest income, gain on foreign exchange fluctuations and miscellaneous income.

Expenditures

Our expenditure consists of cost of materials consumed, purchase of stock in trade, changes in inventory of finished goods/ work-in-progress (“WIP”)/ stock in trade, employee benefits expenses, finance costs, depreciation and amortization expenses, research and development expenses, other expenses and tax expenses.

Cost of raw materials consumed: Cost of raw materials consumed include consumption of raw materials **such as** Tertiary Butyl Alcohol, Phenol, Hydrogen Peroxide, Toluene and various other raw materials used for manufacturing our products, trading as well as packing.

Purchase of stock-in-trade: Purchase of stock-in trade primarily BHT.

Changes in inventories of finished goods and work-in-progress and stock-in-trade: Changes in inventories of finished goods and work-in-progress and stock-in-trade comprises of net increases or decreases in inventory levels of finished goods, stock-in-trade, and goods which are work-in-progress.

Employee benefit expenses: Employee benefits expense comprise salaries and wages, contributions to provident fund and gratuity fund, expense on Employee Stock Exchange Option Scheme and staff welfare expenses.

Finance Costs: Our finance costs primarily comprise interest paid on term loans and working capital loans from banks and financial institutions, interest on lease liabilities, foreign exchange (gain)/loss and other costs incurred in connection with our borrowings.

Depreciation and amortisation expenses: Depreciation and amortisation expenses include depreciation on tangible assets, amortisation of intangible assets and depreciation and amortisation expenses on right-of-use-assets.

Research and development expenses: Research and development expenses comprise of salaries and incentives, travelling and conveyance expenses, professional fees, laboratory expenses and other related expenses.

Other expenses: Other expenses include consumption of stores and spare parts, power and fuel, rent, repairs and maintenance of building, insurance, rates and taxes, sub-contracting charges, labour charges, advertisement and sales promotion, transport and forwarding charges, commission/discount/service charge on sales, traveling and conveyance, directors sitting fee, auditor’s remuneration, CSR contribution, legal and professional fees, provision for doubtful debt/advances and bad debts written-off.

Results of Operations

The following table sets forth the break-down of our results of operations for the periods indicated:

(in ₹ lakhs)

Particulars	Limited Reviewed Consolidated Financial Statements		Audited Consolidated Financial Statements	
	For the six months ended		Fiscal	
	September 30, 2024	September 30, 2023	2024	2023
Income				
Revenue from operations	81,882.48	82,548.20	161,306.20	168,156.40

Particulars	Limited Reviewed Consolidated Financial Statements		Audited Consolidated Financial Statements	
	For the six months ended		Fiscal	
	September 30, 2024	September 30, 2023	2024	2023
Other income	369.20	812.84	1,555.64	579.93
Total Income	82,251.68	83,361.04	162,861.84	168,736.33
Expenses				
Cost of materials consumed	43,760.32	45,374.55	74,661.46	85,557.32
Purchase of stock-in-trade	6,977.12	3,192.83	11,425.87	6,070.82
Changes in inventories of finished goods, work-in-progress and traded goods	(7,026.55)	(4,628.39)	5,274.78	(10,304.99)
Employee benefits expense	10,345.31	8,709.02	17,874.77	16,262.09
Finance costs	4,979.56	2,999.79	6,030.49	5,850.48
Depreciation and amortization expense	4,080.29	3,798.11	7,860.61	6,251.21
Other expenses	20,661.00	23,515.91	44,677.81	50,043.86
Total expenses	83,777.05	82,961.82	167,805.79	159,730.79
(Loss) / Profit before exceptional items and tax	(1,525.37)	399.22	(4,943.95)	9,005.54
Exceptional items	15,103.90	-	4,980.40	967.84
(Loss) / Profit before tax	(16,578.77)	399.22	(9,924.35)	8,037.70
Tax expense				
Current tax	2,381.36	1,187.47	2,487.23	2,867.78
Deferred tax expense / (benefit)	(3,884.33)	93.02	(1,924.07)	1,188.88
Total Tax Expense	(1,502.97)	1,280.49	563.16	4,056.66
(Loss) / Profit for the year	(15,075.80)	(881.27)	(10,487.51)	3,981.04
Total Other Comprehensive Income for the year	(592.32)	249.84	1,796.41	2,023.15
Total Comprehensive (Loss) / Income for the year	(15,668.12)	(631.43)	(8,691.10)	6,004.19

SIX MONTHS ENDED SEPTEMBER 30, 2024 COMPARED TO SIX MONTHS ENDED SEPTEMBER 30, 2023

Revenue

Total Income

Our total income decreased by ₹ 1,109.36 lakhs or 1.33% from ₹ 83,361.04 lakhs for the six months ended September 30, 2023 to ₹ 82,251.68 lakhs for the six months ended September 30, 2024 primarily due to decrease in revenue from operations.

Revenue from operations

Our revenue from operations decreased by ₹ 665.72 lakhs or 0.81% from ₹ 82,548.20 lakhs for the six months ended September 30, 2023 to ₹ 81,882.48 lakhs for the six months ended September 30, 2024 primarily temporary closure of our Italy Facility.

Other Income

Our other income decreased significantly by ₹ 443.64 lakhs or 54.58% from ₹ 812.84 lakhs for the six months ended September 30, 2023 to ₹ 369.2 lakhs for the six months ended September 30, 2024, primarily due to change in fair value of derivative instruments.

Expenses

Total expenses

Our total expenses increased by ₹ 815.23 lakhs or 0.98% from ₹ 82,961.82 lakhs during the six months ended September 30, 2023 to ₹ 83,777.05 lakhs during the six months ended September 30, 2024. This was primarily due to increase in employee expenses and interest expenses.

Cost of materials consumed

Cost of materials consumed decreased by ₹ 1,614.23 lakhs or 3.56% from ₹ 45,374.55 lakhs during the six months ended September 30, 2023 to ₹ 43,760.32 lakhs during the six months ended September 30, 2024 due to temporary closure of our Italy Facility.

Purchase of stock-in-trade

Purchase of stock-in-trade significantly increased by ₹ 3,784.29 lakhs or 118.52% from ₹ 3,192.83 lakhs during the six months ended September 30, 2023 to ₹ 6,977.12 lakhs during the six months ended September 30, 2024. This was primarily due to purchase of trading goods.

Changes in inventories of finished goods, work-in-progress and traded goods

Changes in inventories of finished goods, work-in-progress and traded goods increased by ₹ 2,398.16 lakhs or 51.81% from ₹ (4,628.39) lakhs during the six months ended September 30, 2023 to ₹ (7,026.55) lakhs during the six months ended September 30, 2024 due to increase in stock-in-trade.

Employee benefits expense

Our employee benefits expense increased by ₹ 1,636.29 lakhs or 18.79% from ₹ 8,709.02 lakhs during the six months ended September 30, 2023 to ₹ 10,345.31 lakhs during the six months ended September 30, 2024 due to an annual increase in salaries, wages and staff welfare expenses in the ordinary course of business.

Finance costs

Our finance costs, including interest expense on loans from banks and financial institutions, and other borrowing costs, significantly increased by ₹ 1,979.77 lakhs or 66% from ₹ 2,999.79 lakhs during the six months ended September 30, 2023 to ₹ 4,979.56 lakhs during the six months ended September 30, 2024 due to increase in interest on loans and impact due to foreign exchange loss.

Depreciation and amortization expense

Our expenses on depreciation and amortization expense increased by ₹ 282.18 lakhs or 7.43% from ₹ 3,798.11 lakhs during the six months ended September 30, 2023 to ₹ 4,080.29 lakhs during the six months ended September 30, 2024.

Other expenses

Other expenses decreased by ₹ 2,854.91 lakhs or 12.14% from ₹ 23,515.91 lakhs during the six months ended September 30, 2023 to ₹ 20,661.00 lakhs during the six months ended September 30, 2024. Such decrease was primarily to due to temporary closure of our Italy Facility.

Exceptional Items

Our Company reported an exceptional expense of ₹ 15,103.90 lakhs during the six months ended September 30, 2024 primarily to due to a provision for impairment of the cash generating unit of the Italy Facility and provision for impairment of the investment, net account receivables and assets of CFS China.

Tax expense

Our tax expense significantly reduced from ₹ 1,280.49 lakhs during the six months ended September 30, 2023 to ₹ (1,502.97) lakhs during the six months September 30, 2024 due to reported losses.

Other Comprehensive Income

Our other comprehensive income significantly decreased by ₹ 842.16 lakhs or 337.08% from ₹ 249.84 lakhs during the six months ended September 30, 2023 to ₹ (592.32) lakhs during the six months ended September 30, 2024. Such decrease was primarily to due to difference in foreign exchange on translating the financial statements of subsidiaries.

(Loss) / Profit

For the reasons discussed above, our loss for the six months ended September 30, 2024 was ₹ (15,075.80) lakhs as compared to the loss during the six months ended September 30, 2023, being ₹ (881.27) lakhs.

Total Comprehensive (Loss) / Income

For the reasons discussed above, total comprehensive loss during the six months ended September 30, 2024 was ₹ (15,668.12) lakhs as compared to the total comprehensive loss of ₹ (631.43) lakhs during the six months ended September 30, 2024.

FINANCIAL YEAR ENDED MARCH 31, 2024 COMPARED TO FINANCIAL YEAR ENDED MARCH 31, 2023

Revenue

Total Income

Our total income decreased by ₹ 5,874.49 lakhs or 3.48% from ₹ 168,736.33 lakhs for the Financial Year ended March 31, 2023 to ₹ 162,861.84 lakhs for the Financial Year ended March 31, 2024 primarily due to decrease in revenue from operations.

Revenue from operations

Our revenue from operations decreased by ₹ 6,850.20 lakhs or 4.07% from ₹ 1,68,156.40 lakhs for the Financial Year ended March 31, 2023 to ₹ 1,61,306.20 lakhs for the Financial Year ended March 31, 2024 due to temporary closure of Italy Facility.

Other Income

Our other income increased significantly by ₹ 975.71 lakhs or 168.25% from ₹ 579.93 lakhs during the Financial Year ended March 31, 2023 to ₹ 1,555.64 lakhs during the Financial Year ended March 31, 2024, primarily due to increase in fair value of derivative instruments and maturity of the key man insurance policy.

Expenses

Total expenses

Our total expenses increased by ₹ 8,075.00 lakhs or 5.06% from ₹ 1,59,730.79 lakhs during the Financial Year ended March 31, 2023 to ₹ 1,67,805.79 lakhs during the Financial Year ended March 31, 2024. This was primarily due to an increase in purchase of stock-in-trade and increase in changes in inventories of finished goods, work-in-progress and traded goods cost of materials consumed.

Cost of materials consumed

Cost of materials consumed decreased by ₹ 10,895.86 lakhs or 12.74% from ₹ 85,557.32 lakhs during the Financial Year ended March 31, 2023 to ₹ 74,661.46 lakhs during the Financial Year ended March 31, 2024 due to mainly due to temporary closure of Italy Facility.

Purchase of stock-in-trade

Purchase of stock-in-trade significantly increased by ₹ 5,355.05 lakhs or 88.21% from ₹ 6,070.82 lakhs during the Financial Year ended March 31, 2023 to ₹ 11,425.87 lakhs during the Financial Year ended March 31, 2024. This was primarily due purchase of trading goods.

Changes in inventories of finished goods, work-in-progress and traded goods

Changes in inventories of finished goods, work-in-progress and traded goods significantly decreased by ₹ 15,579.77 lakhs or 151.19% from ₹ (10,304.99) lakhs during the Financial Year ended March 31, 2023 to ₹ 5,274.78 lakhs during the Financial Year ended March 31, 2024 due to temporary closure of Italy Facility.

Employee benefits expense

Our employee benefits expense increased by ₹ 1,612.68 lakhs or 9.92% from ₹ 16,262.09 lakhs during the Financial Year ended March 31, 2023 to ₹ 17,874.77 lakhs during the Financial Year ended March 31, 2024 due to an annual increase in salaries, wages and staff welfare expenses in the ordinary course of business.

Finance costs

Our finance costs, including interest expense on loans from banks and financial institutions, and other borrowing costs, marginally increased by ₹ 180.01 lakhs or 3.08% from ₹ 5,850.48 lakhs during the Financial Year ended March 31, 2023 to ₹ 6,030.49 lakhs during the Financial Year ended March 31, 2024 due to increase in interest on overdraft facilities and cash-credit limits.

Depreciation and amortization expense

Our expenses on depreciation and amortization expense increased by ₹ 1,609.40 lakhs or 25.75% from ₹ 6,251.21 lakhs during the Financial Year ended March 31, 2023 to ₹ 7,860.61 lakhs during the Financial Year ended March 31, 2023.

Other expenses

Other expenses decreased by ₹ 5,366.05 lakhs or 10.72% from ₹ 50,043.86 lakhs during the Financial Year ended March 31, 2023 to ₹ 44,677.81 lakhs during the Financial Year ended March 31, 2024. Such decrease was primarily due to temporary closure of Italy Facility.

Exceptional Items

Our exceptional expenses significantly increased by ₹ 4,012.56 lakhs or 414.59% from ₹ 967.84 lakhs during the Financial Year ended March 31, 2023 to ₹ 4,980.40 lakhs during the Financial Year ended March 31, 2024. Such increase was primarily to due to impairment of assets of CFS China and impairment of inventories of CFS Europe.

Tax expense

Our tax expense significantly reduced from ₹ 4,056.66 lakhs during the Financial Year ended March 31, 2023 to ₹ 563.16 lakhs during the Financial Year ended March 31, 2024 due to reported losses.

Other Comprehensive Income

Our other comprehensive income decreased by ₹ 226.74 lakhs or 11.21% from ₹ 2,023.15 lakhs during the Financial Year ended March 31, 2023 to ₹ 1,796.41 lakhs during the Financial Year ended March 31, 2024. Such decrease was due difference in foreign exchange on translating the financial statements of subsidiaries.

(Loss) / Profit for the year

For the reasons discussed above, our loss for the Financial Year ended March 31, 2024 was ₹ (10,487.51) lakhs as compared to a profit during the Financial Year ended March 31, 2023, being ₹ 3,981.04 lakhs.

Total Comprehensive (Loss) / Income

For the reasons discussed above, total comprehensive loss during the Financial Year ended March 31, 2024 was ₹ (8,691.10) lakhs as compared to the total comprehensive income of ₹ 6,004.19 lakhs during the Financial Year ended March 31, 2023.

Statement of Cash Flows

The following table sets forth the break-down of our cash flow statements for the periods indicated:

(in ₹ lakhs)

Particulars	Limited Reviewed Consolidated Financial Statements		Audited Consolidated Financial Statements	
	For the six months ended		Fiscal	
	September 30, 2024	September 30, 2023	2024	2023
Net cash generated from operating activities	6,560.37	4,371.08	13,898.18	5,089.83
Net cash generated used in investing activities	(2,426.45)	(2,908.30)	(6,649.79)	(12,462.56)
Net cash generated from financing activities	(4,209.89)	(1,594.79)	(8,597.16)	5,965.81
Net increase or (decrease) in cash and cash equivalents	(75.97)	(132.01)	(1,348.77)	(1,406.92)
Cash & Cash Equivalents at the beginning of the year	8,025.47	9,374.24	9,374.24	10,781.16
Cash & Cash Equivalents at the end of the year	7,949.50	9,242.23	8,025.47	9,374.24

Operating activities

Six months ended September 30, 2024

Our net cash from operating activities was ₹ 6,560.37 lakhs for the six months ended September 30, 2024. Our operating profit before working capital changes was ₹ 9,080.49 lakhs for the six months ended September 30, 2024, which was primarily adjusted for finance costs, depreciation and provision for impairment in the value of assets.

Six months ended September 30, 2023

Our net cash from operating activities was ₹ 4,371.08 lakhs for the six months ended September 30, 2023. Our operating profit before working capital changes was ₹ 7,827.83 lakhs for the six months ended September 30, 2023, which was primarily adjusted for finance costs, depreciation and provision for impairment in the value of assets.

Financial Year ended March 31, 2024

Our net cash from operating activities was ₹ 13,898.18 lakhs in Financial Year ended March 31, 2024. Our operating profit before working capital changes was ₹ 15,484.45 lakhs in Financial Year ended March 31, 2024, which was primarily adjusted for finance costs, depreciation and provision for impairment in the value of assets.

Financial Year ended March 31, 2023

Our net cash from operating activities was ₹ 5,089.83 lakhs in Financial Year ended March 31, 2023. Our operating profit before working capital changes was ₹ 20,988.16 lakhs in Financial Year ended March 31, 2023, which was primarily adjusted for finance costs, depreciation and taxes paid.

Investing activities

Six months ended September 30, 2024

Our net cash used in investing activities was ₹ (2,426.45) lakhs for the six months ended September 30, 2024. This was primarily on account of purchase of property, plant and equipment.

Six months ended September 30, 2023

Our net cash used in investing activities was ₹ (2,908.30) lakhs for the six months ended September 30, 2023. This was primarily on account of purchase of property, plant and equipment.

Financial Year ended March 31, 2024

Our net cash used in investing activities was ₹ (6,649.79) lakhs in Financial Year ended March 31, 2024. This was primarily on account of purchase of property, plant and equipment.

Financial Year ended March 31, 2023

Our net cash used in investing activities was ₹ (12,462.56) lakhs in Financial Year ended March 31, 2023. This was primarily on account of purchase of property, plant and equipment.

Financing activities

Six months ended September 30, 2024

Our net cash generated from financing activities was ₹ (4,209.89) lakhs for the six months ended September 30, 2024. This was primarily due to periodic interest payments/ repayment of loans.

Six months ended September 30, 2023

Our net cash generated from financing activities was ₹ (1,594.79) lakhs for the six months ended September 30, 2023. This was primarily due to periodic interest payments/ repayment of loans.

Financial Year ended March 31, 2024

Our net cash generated from financing activities was ₹ (8,597.16) lakhs in Financial Year ended March 31, 2024. This was primarily due to periodic interest payments/ repayment of loans.

Financial Year ended March 31, 2023

Our net cash generated from financing activities was ₹ 5,965.81 lakhs in Financial Year ended March 31, 2023. This was primarily on account borrowing availed from EXIM Bank.

Total Borrowings

As of September 30, 2024, our total borrowings (non-current borrowings and current borrowings) were ₹ 73,948.94 lakhs.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various types of market risks during the normal course of business.

Market risk is the risk of loss related to adverse changes in market prices, including exchange rate risk, interest rate risk, inflation risk, commodity price risk, credit risk and liquidity risk. We are exposed to exchange rate risk, interest rate risk, inflation risk and commodity price risk in the normal course of our business.

Exchange Rate Risk

We face exchange rate risk because a significant portion of our revenues, expenditure and certain of our obligations are denominated in foreign currencies. Some of our assets and liabilities are also denominated in foreign currencies. While the diversity of our business and operations provides a natural hedge, exchange rate fluctuations may, in any event, affect the amount of income and expenditure we realize or our ability to service debt repayments in a foreign currency.

Interest Rate Risk

Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations.

Inflation Risk

India has experienced inflation in the past, which has historically contributed to an increase in interest rates, adversely affecting both our sales and margins.

Commodity Price Risk

As a chemical manufacturer, we are exposed to the risk that prices for raw materials used to manufacture our products will increase. These materials are linked to global commodities and their prices are cyclical in nature and fluctuate in accordance with global market conditions.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. Our Company's exposure to credit risk arises majorly from trade receivables/ unbilled revenue and other financial assets. Other financial assets are bank deposits with banks and hence, our Company does not expect any credit risk with respect to these financial assets.

Liquidity Risk

Liquidity risk refers to insufficiency of funds to meet the financial obligations. Liquidity risk management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

Unusual or Infrequent Events or Transactions

To our knowledge, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

Auditor's Observations

Other than as stated below, there are no auditor qualifications/reservation/emphasis of matters/adverse remarks/ other observations in CARO included in the audit reports/ limited review report and the Audited Financial Statements and Limited Reviewed Financial Results of the Company

Emphasis of Matters

Period	Type of Financials	Qualifications/Reservation/Emphasis of Matter/ Adverse Remarks/Other Observations in CARO	Impact on the Financial Statements of the Company
Financial Year ended March 31, 2023	Audited Consolidated	<u>Qualifications/ Reservations/ Adverse Remarks:</u> None	Nil
		<u>Emphasis of Matter:</u> As per the decision of the Supreme People’s Court of China (“Honourable Court”) which has imposed penalty amounting to RMB 159.32 million on the JV partner of the subsidiary company and others for alleged infringement of intellectual property used in the manufacturing process. An amount of RMB 11.15 million i.e. Rs. 1,265 Lakh which is 7% of the total penalty imposed is attributed to the subsidiary i.e. CFS Wanglong Flavours (Ningbo) Co., Ltd. As an abundant legal caution, the subsidiary company has stopped the production facility till further directions of the Honorable Court. As per the terms of the shareholders’ agreement dated April 28, 2017 and amendments made thereafter, the Holding Company and its subsidiary company are indemnified against penalty and or legal consequences emanating from the violation of the IP rights. As a co-defendant with the JV Partner, the subsidiary company has preferred an application for retrial of the aforesaid order before Honorable Court, which was heard in the month October 2021, the decision thereof is awaited. In the opinion of the Holding Company’s Management, based on the above and for reasons as more fully discussed in the aforesaid note, no impairment of cash generating unit consisting of property plant and equipment of the said subsidiary or on goodwill on consolidation in respect of the said subsidiary company is required. However, Intangible assets in relation to Technical Knowhow for manufacturing vanillin with a carrying amount of Rs. 967.84 Lakh has been impaired during the year and disclosed as an exceptional item. Our opinion is not modified in respect of this matter.	Nil
		<u>Other Observations in CARO:</u> None	Nil
Half yearly period ended September 30, 2023	Unaudited Consolidated	<u>Qualifications/Reservations/Adverse Remarks:</u> None	Nil
		<u>Emphasis of Matter:</u> As per the <u>decision of the</u> Supreme People's Court of China ("Honorable Court"), a penalty was imposed amounting to RMB 159.32 million i.e. INR 18,167.26 Lakh on the JV partner in the subsidiary company and others for alleged infringement of intellectual property used in the manufacturing process. An amount of RMB 11.15 million i.e. INR 1,271.43 Lakh which is 7% of the total penalty imposed is attributed to the subsidiary i.e. CFS Wanglong Flavors (Ningbo) Co. Ltd. As a matter of abundant legal caution, the subsidiary company has stopped the production at facility till further directions of the Honorable Court. As per the terms of the shareholders' agreement dated April 28, 2017, and amendments made thereafter, the Company and its subsidiary company are indemnified against penalty and/or legal consequences emanating from the violation of the IP rights. As a co-defendant with the JV Partner, the subsidiary company has preferred an application for retrial of the aforesaid order before Honorable Court, which was heard in the month October 2021, the decision thereof is awaited. In the opinion of	Nil

Period	Type of Financials	Qualifications/Reservation/Emphasis of Matter/ Adverse Remarks/Other Observations in CARO	Impact on the Financial Statements of the Company
		<p>the Parent Company's Management, based on the above and for reasons as more fully discussed in the aforesaid note, no impairment of cash generating unit of the said subsidiary or on goodwill on consolidation in respect of the said subsidiary company is required. Our conclusion on the Statement is not modified in respect of the above matter.</p> <p><u>Other Observations in CARO:</u> CARO is not applicable to interim reporting.</p>	Nil
Financial Year ended March 31, 2024	Audited Consolidated	<p><u>Qualifications/Reservations/Adverse Remarks:</u> None</p> <p><u>Emphasis of Matter:</u> The Company has impaired the investment in and Assets of CFS Wanglong Flavors (Ningbo) Co., Ltd. (CFSWL) (a subsidiary Company). The Supreme People's Court of China ("Honorable Court") had imposed a penalty amounting to RMB 159.32 million i.e. Rs. 18,543.25 Lakh on the JV partner in the subsidiary company and others for alleged infringement of intellectual property used in the manufacturing process. An amount of RMB 11.15 million i.e. Rs. 1,297.75 Lakh which is 7% of the total penalty imposed was attributed to the subsidiary. As a matter of abundant legal caution, the subsidiary company had stopped the production facility till further directions of the Honorable Court. As per the terms of the shareholders' agreement dated April 28, 2017, and amendments made thereafter, the Holding Company and its subsidiary company are indemnified against penalty and/or legal consequences emanating from the violation of the intellectual property rights. During the quarter ended March 31, 2024, the JV Partner has represented to the Holding Company that they have arrived at an out of Court Settlement with the litigant regarding the infringement of intellectual property. The said settlement, inter alia:</p> <p>(a) precludes any punitive action against the subsidiary company and also absolves it from payment of any penalty under the original judgement,</p> <p>(b) precludes the subsidiary company from manufacturing Methyl Vanillin in China, and</p> <p>(c) allows the subsidiary company to manufacture, market and sell any product other than Methyl Vanillin, in China at the facility owned by the subsidiary company.</p> <p>The Board of Directors of the Holding Company had already approved a plan to use the aforesaid facility to manufacture Heliotropin, an aromatic product which is downstream of Catechol. As of March 31, 2024, the Company has evaluated the carrying value of its investments in and receivables from its subsidiary company by considering certain factors which are more fully discussed in the aforesaid note and assessed the same for impairment test. The outcome arising on such impairment assessment as at March 31, 2024, resulted in impairment provision aggregating to Rs. 2,700.84 Lakh in its Consolidated Ind-AS Financial Statements comprising of impairment of Goodwill Rs. 571.63 Lakh, Inventories and Receivables (net of payables) Rs. 549.15 Lakh and Property, Plant and Equipment Rs. 1,580.06 Lakh. Our opinion on the consolidated Ind-AS financial statements is not modified in respect of the above matter-</p>	Nil

Period	Type of Financials	Qualifications/Reservation/Emphasis of Matter/ Adverse Remarks/Other Observations in CARO	Impact on the Financial Statements of the Company
		Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in respect of one of the subsidiary company, accounting software had no audit trail (edit log) facility from April 1, 2023 to December 17, 2023. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.	
		<u>Other Observations in CARO:</u> CARO observation in AlgalR Nutraceuticals Private Limited's (Subsidiary) independent audit report-	Nil
		The Company is generally regular in depositing undisputed statutory dues including income tax, Goods and service tax, provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, wherever applicable except few instances of delay in deposit of tax deducted at source, provident fund and employees state insurance. Undisputed dues of provident fund contribution is outstanding for a period of more than six months from the date they became payable amounting to Rs. 7 Lakh.	
Half yearly period ended September 30, 2024	Unaudited Consolidated	<u>Qualifications/Reservations/Adverse Remarks:</u> None	Nil
		<u>Emphasis of Matter:</u> None	Nil
		<u>Other Observations in CARO:</u> CARO is not applicable to interim reporting.	Nil

Known Trends or Uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified as detailed in "**Risk Factors**" on page 26 of this LOF. To our knowledge, except as disclosed in this Letter of Offer, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described in "**Risk Factors**" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. See "**Risk Factors**" and "**Our Business**" on pages 26 and 89, respectively.

Changes in accounting policies during last two years and their effect on the profits and reserves of the Company

There are no changes in accounting policies during last two years.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Our Company and our Subsidiaries are subject to various legal proceedings from time to time, primarily arising in the ordinary course of business.

Except as disclosed below and in accordance with the materiality policy set out hereunder, there are no outstanding (i) issues of moral turpitude or criminal proceedings involving our Company and/or Subsidiaries; (ii) actions by any statutory or regulatory authorities involving our Company and/or Subsidiaries; (iii) material taxation claims involving our Company and/or Subsidiaries for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) , economic offences where proceedings have been initiated against our Company and/or our Subsidiaries, (v) pending litigation proceedings involving our Company and/or Subsidiaries (other than proceedings covered under (i) to (iii) above) which has been determined to be “material” pursuant to our Company’s ‘Policy on determination of materiality of events’ framed in accordance with Regulation 30 of the SEBI Listing Regulations (“Materiality Policy”).

In terms of the Materiality Policy, other than outstanding criminal proceedings, actions taken by any statutory or regulatory authority and claims for any direct or indirect tax liabilities mentioned in point (i) to (iii) above, all other pending litigation is listed below:

- A. *involving our Company and Subsidiaries (“Relevant Parties”):*
- i. *where the aggregate monetary claim made by or against the Relevant Parties, in any pending civil litigation proceeding is lower of (a) two percent of turnover, as per the last Financial Year included in the Consolidated Financial Statements; or (b) two percent of net worth, except in case of the arithmetic value of the net worth is negative, as per the last Financial Year included in the Consolidated Financial Statements; or (c) five percent of the average of absolute value of profit or loss after tax, as per the last three Consolidated Financial Statements shall be considered material and will be disclosed in the Offer Documents. Five percent of the average of absolute value of profit or loss after tax, as per the last three Consolidated Financial Statements accounts for the lowest of the above-mentioned criteria. 5% of the average of absolute value of profit or loss after tax as per the Consolidated Financial Statements amounts to ₹341.76 lakhs. Accordingly, all outstanding civil litigation proceedings where the aggregate monetary claim made by or against the Relevant Parties, in any such pending litigation proceeding is in excess of ₹341.76 lakhs shall be considered material; and*
 - ii. *where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless may have a material adverse effect on the position, business, operations, prospects or reputation of our Company will be considered “material” and will be disclosed in the Offer Documents.*

Further, except as disclosed in this section, there are no (i) disciplinary action taken against our Company by SEBI or the Stock Exchange in the five Fiscals preceding the date of this Letter of Offer; and (ii) litigation involving our Subsidiaries which may have a material impact on our Company.

Additionally, it is clarified that pre-litigation notices received by our Company and/or our Subsidiaries from third parties (excluding those notices issued by statutory or regulatory or governmental authorities) shall not be evaluated for materiality until such time our Company and/or our Subsidiaries are impleaded as a defendant in litigation proceedings before any judicial forum.

Unless stated to the contrary, the information provided in this section is as of the date of this Letter of Offer. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company and Subsidiaries as on the date of this Letter of Offer in terms of the SEBI ICDR Regulations and the Materiality Policy is provided

below:

Type of Proceeding	Number of Cases	Aggregate amount involved (in lakhs)
Cases by our Company		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Cases against our Company		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	1	1,712.31
Material violations of statutory regulations	Nil	Nil
Matters involving economic offences where proceedings have been initiated	Nil	Nil
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
Tax cases involving our Company		
Direct tax proceedings	4	2,000.34
Indirect tax proceedings	1	356.02
Cases by our Subsidiaries		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Cases against our Subsidiaries		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Material violations of statutory regulations	Nil	Nil
Matters involving economic offences where proceedings have been initiated	Nil	Nil
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
Tax cases involving our Subsidiaries		
Direct tax proceedings	Nil	Nil
Indirect tax proceedings	Nil	Nil

[#]To the extent quantifiable.

A. LITIGATION INVOLVING OUR COMPANY

A.1. *Material Litigation involving our Company*

A.1.1. *Material Litigation against our Company*

As on the date of filing this Letter of Offer, there is no pending material litigation filed against our Company except as listed below:

Our Company has a manufacturing facility at Tarapur Maharashtra. This facility manufactures antioxidants, CME, Veratrole, TBC and MEHQ, which are derivatives of either Catechol or Hydroquinone.

This manufacturing processes involves manufacturing, storage and transportation of various hazardous substances including, certain raw materials, which we use in production that are highly corrosive, hazardous and toxic. Our Company has obtained approvals from various authorities for storing hazardous substances and is in compliance with these approvals in storing and disposing of the hazardous substances.

Akhil Bhartiya Mangela Samaj (“**Akhil Bhartiya Mangela**”) is a non-profit organisation, formed for exclusively looking after matters relating to environmental protection and pollution control in Tarapur Industrial Area of MIDC (“**Tarapur MIDC**”).

In the year 2016, Akhil Bhartiya Mangela Samaj filed an Original Application No. 64/2016 before the National Green Tribunal (“**NGT**”) against the Maharashtra Pollution Control Board (“**MPCB**”) and expressed grievances that there is severe environmental and ecological degradation of the water bodies situated in the vicinity of the Tarapur MIDC caused by the discharge of effluent in MIDC and the release of unauthorised volume of effluent in excess of the permitted limit by the MPCB in the Arabian Sea at Navapur as well as in the water bodies in the vicinity of Tarapur MIDC from the Common Effluent Treatment Plant (“**CETP**”).

In the Application, Akhil Bhartiya Mangela sought directions to close polluting industries discharging effluents into the Arabian Sea and prohibit permissions for new industries until compliance with Common Effluent Treatment Plant (“**CETP**”) norms.

On September 26, 2019, the NGT issued an order (“**NGT Order 1**”), directing formation of a committee to assess the environmental damage, estimate the cost of restoration and determine the accountability of CETP. Pursuant to many legal proceedings, the Tarapur Industrial Manufacturers Association (“**TIMA**”) appealed against the order of Akhil Bhartiya Mangela in the Supreme Court. The Hon’ble Supreme Court vide its order dated December 18, 2019 in Civil Appeal No. 9409/2019, TIMA v. Akhil Bhartiya Mangela Samaj Parishad & Ors., stayed the NGT Order 1.

Thereafter, on September 17, 2020, the NGT noted that the grievance raised before the Hon’ble Supreme Court was only against interim compensation and there was no stay against proceedings before this NGT for enforcement of environmental norms on consideration of the reports of the committee constituted by the NGT. Further, NGT also noted that there is no bar to hearing of the matter and for further orders being passed. Thus, the NGT issued an order (“**NGT Order 2**”), directing the committee to undertake preventive and restorative measures to address environmental damage and improve environmental quality. This order also emphasized remedying the health of affected inhabitants, including providing healthcare services, and stated that failure to pay the assessed amount could result in coercive actions, including the closure of polluting activities. Pursuant thereto, in October 2020, our Company received a letter from the MPCB directing us to pay to it an amount of ₹ 5,16,56,100 being compensation for the damage caused by our Company to the environment.

However, in November 2020, TIMA (which included our Company) filed two civil appeals, being Civil Appeal No. 003638/2020 and Civil Appeal No. 003756/2020, challenging the NGT Order 2 before the Hon’ble Supreme Court of India against Akhil Bhartiya Mangela.

In December 2020, the Hon'ble Supreme Court inter alia allowed 15 days, file ground-wise objections to the report submitted by the Monitoring Committee specifically indicating the challenges, including the challenge to the quantum of compensation. The Hon'ble Supreme Court also partly allowed the appeal directing TIMA or the individual units to deposit 30% of the compensation amount within one month from the date of the said order, which was further extended upto February 12, 2021 vide the Supreme Court order dated January 13, 2021. Accordingly, on February 10, 2021, our Company paid the said deposit of ₹1,54,97,000.

Further, the Supreme Court vide its order of December 2020, had also recorded that subject to the aforesaid deposits being made within the time stipulated, directions contained in the impugned NGT Order 2 towards compensation would remain in abeyance till the decision on the objections by the NGT. The committee considered the objections submitted by the industries and vide its report dated August 11, 2021 reduced the original compensation of ₹5,16,56,100 to ₹4,28,07,700.

On January 24, 2022, on review of the committee report, the NGT issued an order (“**NGT order 3**”), directing the companies named therein, including our Company, to pay the enhanced environmental compensation of ₹17,12,30,800. The NGT Order 3 increased the quantum of compensation significantly to four times of the reduced amount of ₹4,28,07,700. In April 27, 2022, the Supreme Court of India, in Civil Appeal No(s). 2862-2863/2022, directed that the enhanced compensation in terms of the order dated January 24, 2022 is stayed.

On June 3, 2022, in Civil Appeal No. 8427/2022 of Aarti Drugs Ltd. v. MPCB & Ors. against NGT Order 3, the Supreme Court of India granted stay on NGT Order 3, which implied that the NGT will not implement the NGT Order 3 against any of the companies listed therein, which included our Company as well. Our Company filed an intervening application with the Supreme Court in order to be included as a party to the stay order granted by the Supreme Court of India. The intervening application is currently pending before the Supreme Court of India.

A.1.2. *Material Litigation by our Company*

Nil

A.2. *Issues of moral turpitude or criminal liability on the part of our Company*

A.2.1. *Criminal Proceedings against our Company*

Nil

A.2.2. *Criminal litigation by our Company*

Nil

Material violations of statutory regulations by our Company

Nil

Economic offences where proceedings have been initiated against our Company

Nil

Any other pending matters involving our Company, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position

Nil

B. LITIGATION INVOLVING OUR SUBSIDIARIES

B.1.1. Material Litigation against our Subsidiaries

Nil

B.1.2. Material Litigation by our Subsidiaries

Nil

B.1.3. Issues of moral turpitude or criminal liability on the part of our Company

Nil

Material violations of statutory regulations by our Company

Nil

Economic offences where proceedings have been initiated against our Company

Nil

Any other pending matters involving our Subsidiaries, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position

Nil

C. TAX PROCEEDINGS

C.1.1. We set out below details of pending tax cases involving our Company and our Subsidiaries, specifying the number of cases pending and the total amount involved:

Nature of case	Number of cases	Amount Involved (₹ in lakhs)*
Company		
Direct Tax	4	2,000.34
Indirect tax	1	356.02
Total	5	2,356.36
Subsidiaries		
Direct Tax	NIL	NIL
Indirect Tax	NIL	NIL
Total	NIL	NIL

**To the extent quantifiable*

GOVERNMENT AND OTHER STATUTORY APPROVALS

We are not required to obtain any licenses or approvals from any governmental and regulatory authorities in relation to the objects of this Issue. For further details, please refer to “*Objects of the Issue*” beginning on page 69 of this LOF.

MATERIAL DEVELOPMENTS

No circumstances have arisen since March 31, 2024, which materially or adversely affect or are likely to affect, the operations, performance, prospects or profitability of the Company, or the value of the assets of the Company or its ability to pay its liabilities.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board, pursuant to its resolution dated September 10, 2024, authorised the Issue under Section 62(1)(a) of the Companies Act, 2013. The said resolution was further modified through a resolution passed by our Board at its meeting held on November 22, 2024.

Our SIAC, in its meeting held on January 2, 2025 has resolved to issue up to 2,04,26,244 fully paid up Equity Shares on rights basis to the Eligible Equity Shareholders, at ₹110/- per Equity Share (including a premium of ₹109/- per Equity Share) aggregating up to ₹22,468.87 Lakhs and the Rights Entitlement as 5 (Five) Rights Equity Shares for every 41 (Forty-One) fully paid-up Equity Share, as held on the Record Date. The Issue Price is ₹110/- per Equity Share and has been arrived at by our Company in consultation with the Lead Managers to the Issue prior to determination of the Record Date.

This Letter of Offer has been approved by the Board of Directors pursuant to their resolution dated January 9, 2025.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to their respective letters dated December 27, 2024 and December 30, 2024 respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE052I20016 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” beginning on page 285 of this LOF.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoters is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent it may be applicable to them as on date of this Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clause (2) of Part B of Schedule VI to the SEBI ICDR Regulations our Company is undertaking the Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made application to BSE and NSE and has received their in-principle approvals dated December 27, 2024 and December 30, 2024, respectively for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations, and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

1. Our Equity Shares have been listed on BSE and NSE, each being a recognized stock exchange having nationwide trading terminals, for a period of at least three years immediately preceding the date of filing of this Letter of Offer;
2. The entire shareholding of the members of our Promoter Group in our Company is held in dematerialized form as at the date of filing of this Letter of Offer;
3. The average market capitalization of the public shareholding (as defined in the SEBI ICDR Regulations) of our Company is at least ₹250 crore, in at least one of the recognized stock exchanges with nationwide trading terminals, where our securities are listed, calculated as per explanation (i) of Regulation 99 of SEBI ICDR Regulations;
4. The annualized trading turnover of our Equity Shares during the six calendar months immediately preceding the month of filing of this Letter of Offer has been at least 2% of the weighted average number of Equity Shares listed during such six-months period on each of the Stock Exchanges;
5. The annualized delivery-based trading turnover of our Equity Shares during the six calendar months immediately preceding the month of filing of this Letter of Offer has been at least 10% of the annualized trading turnover of our Equity Shares during such six-month period on each of the Stock Exchanges;
6. Our Company has been in compliance with the equity listing agreement entered into with the Stock Exchanges and the SEBI LODR Regulations, for a period of at least three years immediately preceding the date of filing of this Letter of Offer;
7. Our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month of filing of this Letter of Offer;
8. As on the date of filing of this Letter of Offer, no show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI and are pending against our Company, our Promoter or Whole-time Directors. Further, no show cause notices have been issued by the SEBI or an Adjudicating Officer in a proceeding for imposition of penalty and/or no prosecution proceedings have been initiated by SEBI, against our Company, our Promoter or Whole-time Directors;
9. Our Company, our Promoter, the members of our Promoter Group or our Directors have not settled any alleged violations of securities laws through the settlement mechanism with SEBI during the three years immediately preceding the date of filing of this Letter of Offer;

10. Our Equity Shares have not been suspended from trading as a disciplinary measure during the three years immediately preceding the date of filing of this Letter of Offer;
11. There is no conflict of interest between the Lead Managers and our Company or our Group Companies in accordance with applicable regulations;
12. Our Promoters has undertaken and confirmed in relation to this Issue to subscribe to their rights entitlement and to not renounce their rights, except to the extent of renunciation within the Promoter Group.

For further details in relation to intention and extent of participation in the Issue by the Promoter and the members of the Promoter Group with respect to their Rights Entitlements, please see *“Summary of Letter of Offer - Intention and extent of participation by our Promoters and Promoter Group with respect to their rights entitlement on page 23 of this LOF.*

13. There are no audit qualifications (as defined under the SEBI ICDR Regulations) on the audited accounts of our Company, in respect of the Financial Years for which such accounts are disclosed in this Letter of Offer.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI LODR Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE and NSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders’ Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Non-applicability of conditions precedent under Clause (3) of Part B of schedule VI of the SEBI ICDR Regulations

1. Our Company’s management has not undergone any change pursuant to acquisition of control in accordance with the provisions of the Takeover Regulations. Our Company is not making a rights issue of specified securities for the first time subsequent to any such change; and
2. Our Company has not been listed consequent to the relaxation granted by SEBI under sub-rule (7) of Rule 19 of the SCRR for listing of its specified securities pursuant to a scheme sanctioned by a High Court under Sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under Sections 230 to 234 of the Companies Act, 2013 as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such listing.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations, and given that the conditions prescribed in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS

PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGERS, NAMELY, CENTRUM CAPITAL LIMITED AND INCRED CAPITAL WEALTH PORTFOLIO MANAGERS PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGERS BEING NAMELY CENTRUM CAPITAL LIMITED AND INCRED CAPITAL WEALTH PORTFOLIO MANAGERS PRIVATE LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 9, 2025, WHICH READS AS FOLLOWS:

- (1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THIS LETTER OF OFFER OF THE SUBJECT ISSUE.**
- (2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - (a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**
 - (b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- (3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. COMPLIED WITH**
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. NOT APPLICABLE**
- (5) WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE**

- LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. NOT APPLICABLE
- (6) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. NOT APPLICABLE
- (7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH ASCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. NOT APPLICABLE
- (8) NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE
- (9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH TO THE EXTENT APPLICABLE
- (10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:
- a. AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR EQUITY SHARES, WHERE THE COMPANY HAS OUTSTANDING EQUITY SHARES WITH SUPERIOR RIGHTS. COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND
- b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. COMPLIED WITH
- (11) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS. NOTED FOR COMPLIANCE
- (12) IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS. NOT APPLICABLE
- (13) NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY. COMPLIED WITH

- (14) **THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER. COMPLIED WITH**
- (15) **THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS. COMPLIED WITH**
- (16) **ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. COMPLIED WITH AND NOTED FOR COMPLIANCE**
- (17) **AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY. COMPLIED WITH**

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Managers

Our Company and the Lead Managers accepts no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company, the 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 Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company and the Lead Managers shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Our Company, the Lead Managers and its directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

The Lead Managers and its affiliates may engage in transactions with and perform services for our Company or our affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or our affiliates, for which they have received and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

Disclaimer Clause of the BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to us, post scrutiny of this Letter of Offer, is as under:

“BSE Limited (“the Exchange”) has given, vide its letter dated December 27, 2024, permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- *Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or*
- *Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or*
- *Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Disclaimer Clause of NSE

As required, a copy of this Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to us, post scrutiny of this Letter of Offer, is as under:

“As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/46051 dated December 30, 2024 permission to the Issuer to use the Exchange’s name in this letter of offer as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and the issue of Rights Entitlements and Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making the Issue on a rights basis in offshore transactions outside the United States in compliance with Regulation S to the Eligible Equity Shareholders.

Our Company will dispatch, in accordance with the SEBI ICDR Regulations, this Letter of Offer, the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchange. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that the Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

The Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Rights Equity Shares or accepting any provisional allotment of Rights Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlement.

Neither the receipt of this Letter of Offer nor any sale of Equity Shares and/ or the Rights Entitlements hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Managers are making any representation to any offeree or purchaser of the Equity Shares or the Rights Entitlements regarding the legality of an investment in the Equity Shares and/ or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

Each person who exercises Rights Entitlement and subscribes for Equity Shares or excess Equity Shares, or who purchases Rights Entitlement or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

The Rights Entitlement and the Rights Equity Shares are being offered and sold only to investors outside the United States in "offshore transactions" as defined in, and in reliance, on Regulation S. None of the Rights Entitlement or the Rights Equity Shares has been, or will be, registered under the Securities Act or any state securities laws in 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 Securities Act and applicable U.S. state securities laws.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

The distribution of this Letter of Offer may be restricted by law in certain jurisdictions. Persons into whose possession this document and any other related documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document, in whole or in part, does not form the basis of, and should not be relied upon in connection with, any contract, agreement or commitment whatsoever. Anyone purchasing or seeking to acquire the Rights Equity Shares will be deemed to have represented that they have complied with all applicable restrictions.

Investors are advised to consult their own legal counsel prior to taking up any Rights Equity Shares, or making any offer, sale, resale, pledge or transfer of the Rights Equity Shares. No action has been or will be taken to permit a public offering of the Rights Equity Shares in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Equity Shares may not be offered, sold, resold, allotted, taken up, pledged, transferred or delivered, directly or indirectly, and this document may not be distributed, in any jurisdiction outside of India, except in accordance with legal requirements applicable in such jurisdiction.

Notice to Investors

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS

ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED IN THIS LETTER OF OFFER.

Consents

Consents in writing of our Board of Directors, Company Secretary, Legal Counsel to the Issue, Lead Managers to the Issue, the Registrar to the Issue, the Bankers to the Issue and Statutory Auditors to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any public issues during last one year immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

As on date of filing of this Letter of Offer, neither our Subsidiaries have made any issues. There have been no instances in the past, wherein our Subsidiaries have failed to achieve the objects in its previous issues.

Stock Market Data of the Equity Shares

Our Equity Shares are listed on BSE and NSE. Our Equity Shares are traded on BSE and NSE.

Filing

This Letter of Offer is being filed with BSE and SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, being BSE, do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfdil@sebi.gov.in.

Listing

The Rights Equity Shares offered through this Letter of Offer are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. BSE is the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011 and shall comply with the SEBI circular bearing reference number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES, the SEBI master circular bearing reference number SEBI/HO/OIAE/IGRD/P/CIR/2022 dated November 7, 2022, and any other circulars issued in this regard. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. MUFG Intime India Private Limited (*Previously known as "Link Intime India Private Limited"*) is our Registrar and Share Transfer Agent. All investor grievances received by us

have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 285 of this Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Company:

MUFG Intime India Private Limited

(Previously known as "Link Intime India Private Limited")

C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400083

Telephone: 022 - 49186270

Email: camlin.rightsissue@linkintime.co.in

Website: www.linkintime.co.in

Investor grievance e-mail: camlin.rightsissue@linkintime.co.in

Contact Person: Shanti Gopalakrishnan

SEBI Registration No.: INR000004058

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Rahul Sawale is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

Floor 2 to 5, Building In G.S. Point, Plot No. VIII

C.S.T. Road, Kalina,

Santacruz East, Mumbai 400098

Telephone: +91 022 6700 1000

E- mail: secretarial@camlinfs.com

Other Confirmations

Our Company, in accordance with Regulation 79 of the SEBI ICDR Regulations, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person for making an Application.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Managers is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, all investors (including renouncees) shall make an application for a rights issue only through ASBA facility.

Investors are requested to note that Application in this Issue can only be made through ASBA or any other mode which may be notified by SEBI.

Please note that our Company has opened a separate demat suspense escrow account (namely, “LIPL Camlin Fine Sciences Ltd Rights Escrow Demat Account ”) (“Demat Suspense Account”) and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund (“IEPF”) authority; or (c) of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed / suspense escrow account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons. Please also note that our Company has credited Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are requested to provide relevant details / documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, i.e., by Monday, January 27, 2025, to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner.

Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who

hold Equity Shares in physical form as on the Record Date who will receive the Application Form along with the Rights Entitlement Letter. Upon submission of such documents /records no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

Overview

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations, the SEBI ICDR Master Circular and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

- (i) our Company at www.camlinfs.com;
- (ii) the Registrar to the Issue at www.linkintime.co.in;
- (iii) the Lead Managers, i.e., Centrum at www.centrum.co.in and Incred at www.incredequities.com;
- (iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit <https://www.linkintime.co.in/>.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.camlinfs.com).

Please note that neither our Company nor the Registrar to the Issue nor the Lead Managers shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or their respective affiliates to make any filing or registration (other than in India).

Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email address and an Indian address to our Company.

This Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer,

and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch, only through email, the Abridged Letter of Offer, the Application Form and other applicable Issue materials only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States, and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat any Application Form as invalid which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements. Our Company shall not be bound to issue or allot any Equity Shares and/ or the Rights Entitlements in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “US SEC”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants/ Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- **In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “-*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on page 302 of this LOF.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see “- Grounds for Technical Rejection” on page 298 of this LOF. Our Company, the Lead Managers, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process ” on page 291 of this LOF.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each of the Eligible Equity Shareholders’ Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.linkintime.co.in and link of the same would also be available on the website of our Company at www.camlinfs.com. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

- ***Making of an Application through the ASBA process***

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of

submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Managers, our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

• ***Do's for Investors applying through ASBA:***

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

- ***Don'ts for Investors applying through ASBA:***

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (c) Do not send your physical Application to the Lead Managers, the Registrar, the Bankers to the Issue (assuming that such Bankers to the Issue are not SCSB's), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.
- (f) Avoiding applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.
- (g) Do not submit Multiple Application Forms.

- ***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Managers. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Camlin Fine Sciences Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;

5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total Application amount paid at the rate of ₹110/- per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar to the Issue at:

MUFG Intime India Private Limited

(Previously known as “Link Intime India Private Limited”)

C-101, 247 Park, L. B. S. Marg, Vikhroli West,
Mumbai - 400 083, Maharashtra, India

Contact person: Ms. Shanti Gopalakrishnan

Tel: +91 810 811 4949

Fax: ++91 22 49186060

E-mail ID: camlin.rightsissue@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Email pertaining to Rights Issue: camlin.rightsissue@linkintime.co.in

CIN: U67190MH1999PTC118368; and

17. *All such Eligible Equity Shareholders are deemed to have accepted the following:*

“Purchaser Representations and Transfer Restrictions

Any person who acquires Rights Entitlements and / or Rights Equity Shares, by its acceptance of this Letter of Offer / Abridged Letter of Offer or of the Rights Entitlements or Rights Equity Shares, will be deemed to have declared, represented, warranted and agreed with our Company and the Lead Managers as follows:

- *It will comply with all laws, regulations and restrictions (including the transfer restrictions contained herein) which may be applicable in your jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Rights Entitlements and / or Rights Equity Shares, and*

it acknowledges and agrees that none of us or the Lead Managers and their respective affiliates shall have any responsibility in this regard;

- *It certifies that it is, or at the time the Rights Entitlements and / or Rights Equity Shares are purchased will be, (a) the beneficial owner of such Rights Entitlements and / or Rights Equity Shares, it is located outside the United States, Canada, the People's Republic of China, South Africa and Australia, and it has not purchased the Rights Entitlements and / or Rights Equity Shares for the account or benefit of any person in the United States, Canada, the People's Republic of China, South Africa and Australia, or entered into any arrangement for the transfer of Rights Entitlements and / or Rights Equity Shares or an economic interest therein to any person in the United States, Canada, the People's Republic of China, South Africa and Australia,; or (b) it is a broker-dealer acting on behalf of a customer and its customer has confirmed to it that (i) such customer is, or at the time the Rights Entitlements and / or Rights Equity Shares are purchased will be, the beneficial owner of such Rights Entitlements and / or Rights Equity Shares, (ii) such customer is located outside the United States, Canada, the People's Republic of China, South Africa and Australia, and (iii) such customer has not purchased the Rights Entitlements and / or Rights Equity Shares for the account or benefit of any person in the United States, Canada, the People's Republic of China, South Africa and Australia, or entered into any arrangement for the transfer of the Rights Entitlements and / or Rights Equity Shares or an economic interest therein to any person in the United States, Canada, the People's Republic of China, South Africa and Australia,;*
- *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 Rights Entitlements and / or Rights Equity Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act, have not been and will not be registered under the Securities Act or any state securities laws in the United States; if, in the future, it decides to offer, resell, renounce, pledge or otherwise transfer such Rights Entitlements and / or Rights Equity Shares, or any economic interest therein, such Rights Entitlements and / or Rights Equity Shares or any economic interest therein may be offered, sold, renounced, pledged or otherwise transferred only (A) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India; or (B) in the United States pursuant to an exemption from the registration requirement of the Securities Act and applicable state securities laws;*
- *It is not an affiliate of our Company or a person acting on behalf of an affiliate;*
- *It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, are purchasing the Rights Entitlements and / or Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S under the Securities Act);*
- *It will base its investment decision on a copy of the Letter of Offer and the Abridged Letter of Offer. It acknowledges that neither the Company nor any of its affiliates nor any other person (including the Lead Managers) or any of their respective affiliates has made or will make any representations, express or implied, to it with respect to the Company, the Issue, the Rights Entitlements and / or Rights Equity Shares, the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Issue or the Rights Entitlements and / or Rights Equity Shares, other than (in the case of the Company only) the information contained in the Letter of Offer and the Abridged Letter of Offer, as it may be supplemented;*

- *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 Rights Entitlements and / or Rights Equity Shares. It is experienced in investing in private placement transactions of securities of companies in similar jurisdictions. It and any accounts for it is subscribing to the Rights Entitlements and / or Rights Equity Shares for (i) are each able to bear the economic risk of the investment in the Rights Entitlements and / or Rights Equity Shares, (ii) will not look to the Company or the Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates 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 Rights Equity Shares, (iv) have no need for liquidity with respect to the investment in the Rights Equity Shares, and (v) 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 Rights Entitlements and / or Rights Equity Shares. It acknowledges that an investment in the Rights Entitlements and / or Rights Equity Shares involves a high degree of risk and that the Rights Entitlements and / or Rights Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Rights Entitlements and / or Rights Equity Shares in this Issue for its own investment and not with a view to distribution.*
- *It will notify any transferee to whom it subsequently offers, sells, renounces, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Rights Entitlements and / or Rights Equity Shares of the foregoing restrictions applicable to the Rights Entitlements and / or Rights Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.*
- *It acknowledges that our Company will not recognize any offer, sale, renunciation, pledge or other transfer of such Rights Entitlements and / or Rights Equity Shares made other than in compliance with the above-stated restrictions; and*
- *It acknowledges that our Company, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its acquisition of Rights Entitlements and the Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Rights Entitlements and / or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in.

Our Company, the Lead Managers and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and/or whose demat account details are not available with our Company or the Registrar, shall be credited in the Demat Suspense Account.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall visit <https://liiplweb.linkintime.co.in/rightsoffers/rightsissues-PlainPaper.aspx>, to upload their client master sheet and also provide the other details as required, no later than two Clear Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date; and
- (c) The remaining procedure for Application shall be same as set out in the section entitled “- ***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***” on page 291 of this LOF.

In accordance with the SEBI Master circular bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the Demat Suspense Account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in the section entitled “- ***Basis of Allotment***” on page 311 of this LOF.

- **Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares.**

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

Additional general instructions for Investors in relation to making of an Application

- (a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled ***“Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process”*** on page 291 of this LOF.
- (d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Managers.
- (f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-Tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (**“Demographic Details”**) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Managers shall be liable to compensate the Investor for any**

losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

- (h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (j) Investors should provide correct DP ID and Client ID/ folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Managers, SCSBs or the Registrar will not be liable for any such rejections.
- (k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (m) Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.
- (n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (r) Do not submit multiple applications.
- (s) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

- (t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply in this Issue as an incorporated non-resident must do so in accordance with the FDI Policy and the FEMA Rules, as amended.
 - (u) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.
- ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

 - (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
 - (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
 - (c) Sending an Application to our Company, the Lead Managers, Registrar, Bankers to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.
 - (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
 - (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
 - (f) Account holder not signing the Application or declaration mentioned therein.
 - (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
 - (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
 - (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
 - (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
 - (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
 - (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
 - (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
 - (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
 - (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Investors that are residing in U.S. address as per the depository records.
- (s) Applicants not having the requisite approvals to make Application in the Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account in respect of the same set of Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “- ***Procedure for Applications by Mutual Funds***” on page 301 of this LOF.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications may be treated as multiple applications and are liable to be rejected or all the balance shares other than Rights Entitlement will be considered as additional shares applied for, other than multiple applications submitted by any of our Promoter or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in the section entitled “***Capital Structure – Intention and extent of participation by our Promoter and Promoter Group***” on page 66 of this LOF.

- ***Procedure for Applications by certain categories of Investors***

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group

(which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI 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 that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment who is from the Financial Action Task Force member country, the investment shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., in any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“**OCI**”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

*Procedure for Applications by Systemically Important Non-Banking Financial Companies (“**NBFC-SI**”)*

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors, or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Monday, January 27, 2025, *i.e.*, Issue Closing Date. Our Board or Securities Issue and Allotment Committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in the section entitled “- **Basis of Allotment**” on page 311 of this LOF.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor applying through ASBA facility may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board or a committee thereof reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of four days (on or about) from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.linkintime.co.in) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.camlinfs.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: INE052I20016. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the Demat Suspense Account to the Stock Exchanges

after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* www.linkintime.co.in/EmailReg/Email_Register.html). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “LIPL Camlin Fine Sciences Ltd Rights Escrow Demat Account”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF Authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar to the Issue on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any;.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar to the Issue not later than two Working Days prior to the Issue Closing Date, *i.e.*, by Monday, January 27, 2025 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar to the Issue account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Managers and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) *On Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: INE052I20016 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Friday, January 17, 2025, to Tuesday, January 21, 2025, (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: INE05I20016 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE05I20016, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Under the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided

by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income- Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see “*The Issue*” beginning on page 59 of this LOF.

- ***Fractional Entitlements***

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Share(s) for every 41 (Forty-One) Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 41 (Forty-One) Equity Shares or not in the multiple of 41 (Forty-One), the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 41 (Forty-One) Equity Shares as on Record Date shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

- ***Ranking***

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue, shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- ***Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number LOD/Rights/PR/FIP/1593/2024-25 dated December 27, 2024 and from the NSE through letter bearing reference number NSE/LIST/46051 dated December 30, 2024. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, from the Call Record Date, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights

Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount under the Call notice for the final Call.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 532834), and NSE (Symbol: CAMLINFINE) under the ISIN: INE052I01032. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within fifteen days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoter and members of our Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of our Promoter Group, see "***Capital Structure – Intention and extent of participation by our Promoters and Promoter Group***" on page 66 of this LOF.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- (a) The right to receive dividend, if declared;
- (b) The right to receive surplus on liquidation;
- (c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- (d) The right to free transferability of Rights Equity Shares;
- (e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and
- (f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- ***Joint Holders***

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- ***Nomination***

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- ***Arrangements for Disposal of Odd Lots***

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Restrictions on transfer and transmission of shares and on their consolidation/splitting***

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant this Issue. However, the Investors should note that pursuant to the provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

- ***Notices***

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address through email and speed post. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Maharashtra, where our Registered Office is situated).

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- ***Offer to Non-Resident Eligible Equity Shareholders/Investors***

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on camlin.rightsissue@linkintime.co.in or physically/postal means at the address of the Registrar C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. It will be the sole responsibility of the Investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Managers and our Company will not be responsible for any such allotments made by relying on such approvals.

This Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at camlin.rightsissue@linkintime.co.in.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 312 OF THIS LOF.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Monday, January 13, 2025
ISSUE OPENING DATE	Friday, January 17, 2025
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	Tuesday, January 21, 2025
ISSUE CLOSING DATE*	Monday, January 27, 2025

FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Friday, January 31, 2025
DATE OF ALLOTMENT (ON OR ABOUT)	Friday, January 31, 2025
DATE OF CREDIT (ON OR ABOUT)	Wednesday, February 5, 2025
DATE OF LISTING (ON OR ABOUT)	Friday, February 7, 2025

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

* Our Board or the Securities Issue and Allotment Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Managers.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, *i.e.*, Monday, January 27, 2025, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, Monday, January 27, 2025. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar at www.linkintime.co.in. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar at www.linkintime.co.in by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full

Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis having due regard to the number of Rights Entitlement held by them as on Issue Closing Date and in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.
4. Further, the list of Applicants eligible for refund/unblocking with corresponding amount will also be shared with Banker to the Issue to refund/unblock such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable, or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in Demat Suspense Account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

- **Mode of making refunds**

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- **Receipt of the Rights Equity Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/ FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification. Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, on their registered email address or through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, and who have not provided the details of their demat accounts to our Company or to the Registrar at least two clear Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 lakhs or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be

disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.; and

- D. Our Company may utilise the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.
- 3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications
- 7) No further issue of securities shall be made till the securities offered through this Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
- 8) As on date of this Letter of Offer, our Company does not have any convertible debt instruments.
- 9) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "Camlin Fine Sciences Limited – Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

MUFG Intime India Private Limited

(Previously known as "Link Intime India Private Limited")

C-101, 1st Floor, 247 Park

Lal Bahadur Shastri Marg, Vikhroli

(West) Mumbai 400 083

Maharashtra, India

Tel: +91 810 811 4949

E-mail: camlin.rightsissue@linkintime.co.in

Investor Grievance ID: camlin.rightsissue@linkintime.co.in

Contact Person: Shanti Gopalkrishnan

Website: www.linkintime.co.in

SEBI Registration No.: INR000004058

3. In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.linkintime.co.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 810 811 4949.
4. The Investors can visit following links for the below-mentioned purposes:
 - a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.linkintime.co.in.
 - b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar to the Issue i.e. MUFG Intime India Private Limited (*Previously known as, "Link Intime India Private Limited"*): www.linkintime.co.in.
 - c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: as applicable: www.linkintime.co.in; and
 - d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: camlin.rightsissue@linkintime.co.in

This Issue will remain open for a minimum seven days. However, our Board or the Capital Raising Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Policy"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 100% which is permitted under the automatic route.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the issue as an incorporated non-resident must do so in accordance with the FDI Policy and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any

approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND RESALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other Issue Materials in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with SEBI and the Stock Exchanges.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India, in each case, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone (i) in the United States or (ii) any jurisdiction in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer and any other Issue Materials should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India. If this Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

No offer in the United States

The Rights Entitlement and the Rights Equity Shares are being offered and sold only to investors outside the United States in “offshore transactions” as defined in, and in reliance, on Regulation S. None of the Rights Entitlement or the Rights Equity Shares has been, or will be, registered under the Securities Act or any state securities laws in 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 Securities Act and applicable U.S. state securities laws.

Representations, Warranties and Agreements by Purchasers

The Rights Entitlements and the Rights Equity Shares offered outside the United States are being offered in “offshore transactions” as defined in, and in reliance, on Regulation S.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or

the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States, Canada, the People’s Republic of China, South Africa and Australia in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States, Canada, the People’s Republic of China, South Africa and Australia and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in “offshore transactions” as defined in, and in reliance, on Regulation S .
2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any “directed selling efforts” in the United States (as defined in Regulation S under the Securities Act).
3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
6. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer;
7. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
8. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
9. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
10. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the

stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

11. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Managers or their respective affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (v) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
12. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates, the Lead Managers or their respective affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "Information"), has been prepared solely by our Company; and (ii) neither the Lead Managers nor any of their respective affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Managers or their respective affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by the Lead Managers or their respective affiliates.
14. The purchaser will not hold our Company, the Lead Managers or their respective affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Managers or their respective affiliates to it.
15. The purchaser understands and acknowledges that the Lead Managers are assisting our Company in respect of this Issue and that the Lead Managers are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Managers arising from their respective engagement with our Company and in connection with this Issue.

16. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, the Lead Managers or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in this Issue under applicable securities laws.
17. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.
18. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.
19. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company or the Lead Managers with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
20. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.
21. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.
22. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.
23. The purchaser shall hold our Company and the Lead Managers 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 its representations, warranties or agreements set forth above and elsewhere in this Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.
24. The purchaser acknowledges that our Company, the Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

SECTION VIII – STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these documents for inspection referred to hereunder, will be made available at our Registered Office between 10:30 am to 5:00 pm on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Registrar Agreement dated January 6, 2025, between our Company and the Registrar to the Issue.
2. Issue Agreement dated January 9, 2025, between our Company and the Lead Managers.
3. Bankers to the Issue Agreement dated January 9, 2025, among our Company, the Lead Managers, the Registrar to the Issue and the Bankers to the Issue.
4. Monitoring Agency Agreement dated January 7, 2025, between our Company and the Monitoring Agency.

B. Material Documents in Relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of Incorporation dated November 30, 1993, under the name “Camlicon Consultants Private Limited”.
3. Certificate of Incorporation dated June 01, 2006 consequent to change in name of our Company from “Camlicon Consultants Private Limited” to “Camlin Fine Chemicals Private Limited”.
4. Certificate of Incorporation dated August 27, 2011 consequent to change in name of our Company from “Camlin Fine Chemicals Private Limited” to “Camlin Fine Chemicals Limited”.
5. Copy of the Letter of Offer dated August 2, 2023, issued by the acquirers in respect of the open offer to the shareholders of our Company.
6. Letter of Offer dated January 9, 2025, in respect of the rights issue of equity shares of face value of ₹ 1 each by our Company
7. Resolution of the Board of Directors dated September 10, 2024, authorising the Rights Issue.
8. Resolution of the Board of Directors dated November 22, 2024, increasing the issue size of the Rights Issue.
9. Resolution of the Securities Issue and Allotment Committee dated January 2, 2025, finalizing the terms of the Issue including Issue Price, Record Date and Rights Entitlement Ratio.
10. Resolution of the Securities Issue and Allotment Committee dated January 9, 2025, approving and adopting the Letter of Offer.
11. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Independent Chartered Accounts, Independent Chartered Engineer, Practicing Company Secretary, Statutory Auditors, Bankers to the Issue, Lead Managers, Legal Advisor, Monitoring Agency and the Registrar to the Issue for inclusion of their named in this Letter of Offer to act in their respective capacities.

12. Consent letter from our Statutory Auditors, namely, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants to include their name in this Letter of Offer, as an “expert” as defined under Section 2(38) of the Companies Act, 2013, and such consent has not been withdrawn as on the date of this Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.
13. Consent letters from our Independent Chartered Accountant, namely, V A Bapat & Co., Practicing Company Secretary, namely, JHR and Associates and Chartered Engineer, namely, M/s. SVS Associates, to include their name in this Letter of Offer, as an “expert” as defined under Section 2(38) of the Companies Act, 2013, and such consent has not been withdrawn as on the date of this Letter of Offer, from each of the above letters. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act
14. Copy of the Audited Consolidated Financial Statements of our Company for the year ended March 31, 2024 and the auditor’s Reports thereon.
15. Copy of Limited Reviewed Financial Statements of our Company for the six months period ending on September 30, 2024 and the review report thereon.
16. Copy of Limited Reviewed Financial Statements of our Company for the six months period ending on September 30, 2023 and the review report thereon
17. Copy of the annual reports of our Company for the last five years.
18. Statement of Tax Benefits dated January 9, 2025, issued by Statutory Auditor, included in this Letter of Offer.
19. In-principal approval issued by the BSE and NSE, dated December 27, 2024 and December 30, 2024, respectively.
20. Due diligence certificate dated January 9, 2025, addressed to SEBI from the Lead Managers.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Ashish Subhash Dandekar
Chairman and Managing Director
Date: January 9, 2025
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Nirmal Vinod Momaya

Managing Director

Date: January 9, 2025

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Anagha Dandekar
Non-Executive Director
Date: January 9, 2025
Place: USA

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Arjun Sudhakar Dukane

Executive Director

Date: January 9, 2025

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Amol Jashwant Shah

Independent Director

Date: January 9, 2025

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sutapa Banerjee
Independent Director
Date: January 9, 2025
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Harsha Raghavan
Non-Executive Director
Date: January 9, 2025
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Joseph Conrad D'souza

Independent Director

Date: January 9, 2025

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Pradip Kanakia

Independent Director

Date: January 9, 2025

Place: Houston, USA

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Mahabaleshwar Palekar

Independent Director

Date: January 9, 2025

Place: London

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE KEY MANAGERIAL PERSONNEL OF THE COMPANY

Santosh Parab
Chief Financial Officer
Date: January 9, 2025
Place: Mumbai