



AMAL LIMITED

Amal Limited was incorporated as a public limited company under the Companies Act, 1956 as “Piramal Rasayan Limited” vide a certificate of incorporation dated July 4, 1974 issued by the Registrar of Companies, Maharashtra. Subsequently, the name of our Company was changed to “Amal Rasayan Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Bombay (the “RoC”) on November 10, 1986. The name of our Company was further changed to “Amal Products Limited” and a fresh certificate of incorporation was issued by the RoC on November 23, 1995. The name of our Company was further changed to “Amal Limited” pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai on September 11, 2003. For details relating to change in the registered office address of our Company, please see “General Information” on page 34 of this Draft Letter of Offer.

Registered office: 309, Veer Savarkar Marg, Opposite India United Mills, Near Prabhadevi Telephone Exchange, Dadar (West), Mumbai – 400 028, Maharashtra

Corporate identity no.: L24100MH1974PLC017594

Telephone: +91 22 62559700

Contact Person: Mr Ankit Mankodi, Company Secretary and Compliance Officer

E-mail: sec@amal.co.in; **Website:** www.amal.co.in

PROMOTERS OF OUR COMPANY

MR. SUNIL LALBHAI, MRS. VIMLABEN LALBHAI, MS. SWATI LALBHAI AND MS. TARAL LALBHAI

FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

ISSUE OF UP TO [●] EQUITY SHARES WITH A FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) (“RIGHTS EQUITY SHARES”) FOR AN AMOUNT AGGREGATING UPTO ₹ 4,995* LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF AMAL LIMITED (THE “COMPANY” OR THE “ISSUER”) IN THE RATIO OF [●] RIGHTS EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARE HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE “ISSUE”).

**Assuming full subscription*

THE ISSUE PRICE OF EACH RIGHTS EQUITY SHARE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE.

FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 134.

WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company, our Promoters nor Directors are categorised as Wilful Defaulters or Fraudulent Borrowers

GENERAL RISKS

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this 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 this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares being offered in this Issue have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. **Investors are advised to refer to “Risk Factors” on page 17 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 Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft 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 Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The equity shares of Amal Limited are listed on the BSE Limited (“BSE”). We have received “in-principle” approval from BSE for listing the Rights Equity Shares arising from the Issue vide its letter dated [●]. Our Company will also make application to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Rights Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE

KEYNOTE

Keynote Financial Services Limited

The Ruby, 9th Floor,
Senapati Bapat Marg, Dadar (West),
Mumbai – 400 028

Tel: +91 22 6826 6000 - 3

E-mail: mbd@keynoteindia.net

Website: www.keynoteindia.net

Contact Person: Mr. Sunu Thomas

SEBI Registration No.: INM 000003606

REGISTRAR TO THE ISSUE

LINKIntime

Link Intime India Private Limited

C101, 247 Park,
LBS Marg, Vikhroli (West),
Mumbai – 400 083

Tel: +91 810 811 4949

E-mail: amal.rights@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI Registration No.: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSURES ON
[●]	[●]	[●]

***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 Renouncees on or prior to the Issue Closing Date.**

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SECTION I – GENERAL INFORMATION

DEFINITIONS AND ABBREVIATIONS

In this Draft Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section and references to any statute or regulations or acts or policies shall include amendments thereto, from time to time.

The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Possible Special Tax Benefits” and “Financial Statements” beginning on pages 49 and 71, respectively, shall have the meaning given to such terms in such sections.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to “Amal Limited”, “Amal”, the/ our “Company”, “we”, “our”, “us” or similar terms shall mean Amal Limited and references to “you” shall mean the equity shareholders and/ or prospective investors in the Equity Shares.

Conventional and general terms/ Abbreviations/ Company related and Industry related terms

Term	Description
“Amal” or “Amal” or “the Company”, or “the Resulting Company”, or “our Company”	Amal Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, as amended and having its registered office at 309, Veer Savarkar Marg, Opposite India United Mills, Near Prabhadevi Telephone Exchange, Dadar (West), Mumbai – 400 028, Maharashtra, India.
“We” or “us” or “our”	Unless the context otherwise indicates or implies, refers to Amal Limited
₹ / Rs ./ Rupees / INR	Indian Rupees
AIF(s)	Alternative Investment Funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Articles of Association or AOA or Articles	The articles of association of our Company, as amended from time to time
ASBA	Application Supported by Blocked Amount
AY	Assessment Year
AO	Assessing Officer, Income Tax
ACIT	Assistant Commissioner of Income Tax
AGM	Annual General Meeting
Auditor / Statutory Auditor	The statutory auditors of our Company i.e., Deloitte Haskins & Sells LLP, Chartered Accountants
BIFR	Board for Industrial and Financial Reconstruction
Board of Directors / Board	Board of Directors of our Company, including any committees thereof
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDP	Collecting Depository Participant
Capital or Share capital	Share capital of our Company
CARO	Companies Auditor's Report Order
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	The Companies Act, 1956 or Companies Act, 2013 and rules framed thereunder, as applicable
Consolidated Audited Financial Statements	The consolidated audited financial statements of our Company and our subsidiary company, for the year ended March 31, 2022 prepared in accordance with Ind AS which comprises the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Statement of Cash Flows and the

Term	Description
	Statement of Changes in Equity for the year ended March 31, 2022 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information
Consolidated Unaudited Financial Results	The limited reviewed consolidated unaudited financial results of our Company for the six months ended September 30, 2022 prepared in accordance with Regulation 33 of SEBI (LODR) Regulations, 2015, as amended
COVID-19	A public health emergency of international concern as declared by the World Health Organisation on January 30, 2020 and a pandemic on March 11, 2020
Client ID	Client Identification Number of the Bidders Beneficiary Account
Copyright Act	The Copyright Act, 1957
CPC	The Code of Civil Procedure, 1908
CrPC	The Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
CTS	Cheque Truncation System
Depository(ies)	CDSL and NSDL 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
Depositories Act	The Depositories Act, 1996 and amendments thereto
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DP ID	Depository Participant's identity
Director	Director of our Company, unless otherwise specified otherwise
DP or Depository Participant	Depository Participant as defined under the Depositories Act
EBIT	Earnings Before Interest and Tax
EBITDA	Profit/(loss) after tax for the relevant period adjusted for income tax expense, finance costs, depreciation and amortisation expense, as presented in the statement of profit and loss
EGM	Extra-ordinary General Meeting
Eligible Shareholder(s)	Eligible holder(s) of the equity shares of Amal Limited as on the Record Date
EPS	Earnings Per Share
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
FCNR Account	Foreign currency non-resident account
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, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FPI // Foreign Portfolio Investor	Foreign Portfolio Investor
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
GIDC	Gujarat Industrial Development Corporation
GoI or Government or Central Government	Government of India
GST	Goods and Services Tax
H ₂ SO ₄	Sulphuric Acid
Holding Company	Atul Limited, which is the holding company by virtue of control

Term	Description
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICD	Inter Corporate Deposits
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standards) Rules 2015, as amended
Independent Auditor's Report	The report given by the Statutory Auditors of the Company for the Audited Financial Statements
Independent Director	Independent directors on the Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "Our Management" beginning on page 63 of this DLOF
Indian GAAP/ I-GAAP	Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2014, as amended
IT Act	The Income Tax Act, 1961 and amendments thereto
ITAT	Income Tax Appellate Tribunal
Key Managerial Personnel	The key managerial personnel of our Company as per the definition provided in Regulation 2(1)(bb) of the SEBI ICDR Regulations
Kgs	Kilograms
LLP	Limited Liability Partnership
Materiality threshold	Materiality threshold adopted by our Company in relation to the disclosure of outstanding litigation, including tax litigation, violation of statutory regulations, involving our Company where the amount involved in each litigation exceeds 5% of the profit after tax of our Company as per the Consolidated Audited Financial Statements for the FY 2021-22, which is determined to be ₹ 5.5511 Lakh
MCA	Ministry of Corporate Affairs
MCLR	Marginal Cost of Funds Based Lending Rate
Memorandum of Association or MOA	Memorandum of Association of our Company, as amended from time to time
MSMED Act	Micro, Small and Medium Enterprises Development Act, 2006
NACH	National Automated Clearing House which is a consolidated system of ECS
NAV	Net Asset Value per share
NBFC(s)	Non-Banking Financial Company(ies)
NEFT	National Electronic Fund Transfer
NR/Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI; FPIs and FVCIs registered with SEBI
NRE Account	Non-resident external account
NRI	Non-resident Indian
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
p.a.	Per Annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax

Term	Description
RBI	The Reserve Bank of India
Registered office	309, Veer Savarkar Marg, Opposite India United Mills, Near Prabhadevi Telephone Exchange, Dadar (West), Mumbai, Maharashtra, 400 028
Regulation S	Regulation S under the U.S. Securities Act
RONW	Return on Net Worth
RTGS	Real time gross settlement
SCORES	SEBI Complaints Redress System
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI/ Board	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI Listing Regulations/ SEBI (LODR) Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Regulations/ SEBI ICDR Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI Relaxation Circulars
SEBI Takeover Regulations/ Takeover Code/ Regulations	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto
Securities Act	United States Securities Act of 1933, as amended
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985
SO ₂	Sulphur dioxide
SO ₃	Sulphur trioxide
Sq. mtrs.	Square metres
Stock Exchange	BSE
State Government	The Government of a State in India
STT	Securities Transaction Tax
TP Act	The Transfer of Property Act, 1882
TPD/ tpd	Tonnes per day
Trade Marks Act	Trade Marks Act, 1999
United States or US	United States of America
UPI	Unified Payments Interface
Wholly owned subsidiary or WOS or ASCL	Amal Speciality Chemicals Limited

Issue related terms

Term	Description
Abridged Letter of Offer/ ALOF	The abridged letter of offer to be sent to the Equity Shareholders as on the Record Date with respect to this Issue in accordance with SEBI Regulations
Additional Rights Shares	The Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allot/ Allotted/ Allotment	Unless the context requires, the allotment of Equity Shares pursuant to the Rights Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the

Term	Description
	Application Money lying credit to the Escrow Account(s) and amounts 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 Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to this Issue
Allottee(s)	Person(s) to whom Rights Shares are issued/ allotted pursuant to the Issue
Applicant(s)/ Investor(s)	Eligible Equity Shareholder(s) of our Company as on the Record Date and/or Renouncees who are entitled to make an application for the Rights Equity Shares in terms of the Letter of Offer.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process.
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 Equity Shares in the Issue
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorising the SCSB to block the application money payable on application in their specified bank account maintained with the SCSBs
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
Banker to the Issue	[●]
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in the Issue and which is described in “Terms of the Issue” on page 134 of this DLOF
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and / or such other website(s) as may be prescribed by the SEBI / Stock Exchange(s) from time to time
Designated 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 Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Draft Letter of Offer/ DLOF	This Draft Letter of Offer dated January 27, 2023.
Eligible Equity Shareholder(s)	Holder(s) of Equity Shares of our Company as on the Record Date
Equity Share Capital	Equity share capital of our Company
Equity Share(s) or Share(s)	Equity shares of our Company having a face value of ₹ 10/- each unless otherwise specified in the context thereof
Equity Shareholder(s)	Holder(s) of Equity Shares of our Company
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the ASBA
Financial Year/ Fiscal/	Any period of twelve months ended March 31 of that particular year, unless

Term	Description
Fiscal Year/ FY	otherwise stated
IEPF	Investor Education and Protection Fund
Issue/ Rights Issue	Issue of [●] Equity Shares with a face value of ₹ 10/- each at a premium of ₹ [●] per Equity Share for an amount aggregating up to ₹ 4,995 Lakhs on a rights basis to the existing Equity Shareholders in the ratio of [●] Equity Share for every [●] fully paid-up Equity Share(s) (i.e., [●]) held by the existing Equity Shareholders on the Record Date. The issue price is [●] times the face value of the Equity Shares
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ [●] per Equity Share
Issue Proceeds	The gross proceeds of the Issue
Issue Size	The issue of [●] Equity Shares for an amount aggregating up to ₹ 4,995 Lakhs
Lead Manager/ LM	Keynote Financial Services Limited
Letter of Offer/ LOF	The final letter of offer to be filed with the Stock Exchanges and to be submitted with SEBI
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
MICR	Magnetic Ink Character Recognition
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 Entitlement will not be treated as multiple application
NECS	National Electronic Clearing Services
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Promoters	The Promoters of our Company being Mr. Sunil Lalbhai, Mrs. Vimlaben Lalbhai, Ms. Swati Lalbhai and Ms. Taral Lalbhai and entities controlled by them as appears in shareholding pattern filed with the Stock Exchange
Promoter Group	Unless the context requires otherwise, the entities forming part of the promoter group in accordance with the SEBI ICDR Regulations and which are disclosed by our Company to the Stock Exchange(s) from time to time
Offer Document	Means Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer
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
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●]
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations, 2018
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being [●]
Refund through electronic transfer of funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable
Registrar of Companies/ RoC	Unless specified otherwise, the Registrar of Companies, Mumbai, Maharashtra

Term	Description
Registrar Agreement	Agreement dated January 24, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registrar to the Issue	Link Intime India Private Limited
Renouncee(s)	Any person(s) who has acquired Rights Entitlements from the Equity Shareholders through renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s)	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor(s) on the Record Date
Rights Entitlement Letter/ Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
SCSB(s)	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Banker to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Transfer Date	The date on which Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account in respect of successful Applications, upon finalisation of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter or Fraudulent Borrower	Company or person, as the case may be, categorised as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrower, as applicable, issued by RBI
Working Days	All days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, reference to ‘working day’ shall mean all days, excluding Saturdays, 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 Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Statement of Possible Special Tax Benefits*”, “*Outstanding Litigations and Defaults*” and “*Financial Information*” on pages 49, 123 and 71, respectively, shall have the meanings given to such terms in these respective sections.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and the Issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of the Rights Equity Shares on a rights basis to the Equity Shareholders as on Record Date and the Letter of Offer, 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 registered their e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their registered e-mail address and in case such Eligible Equity Shareholders have not registered 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. Those overseas shareholders, who have not updated 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 Letter of Offer/ Abridged Letter of Offer and Application Form, shall not be sent the Letter of Offer/ Abridged Letter of Offer and Application Form. Further, the 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.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer/Abridged Letter of Offer and Application Form or any offering materials or advertisements in connection with the Issue may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under such circumstances, this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and CAFs 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 redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and Application Form should not, in connection with the issue of the Rights Equity Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and Application Form is 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 or the Rights Entitlements referred to in this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and Application Form. Envelopes containing a Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/ he is authorised to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/ his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of us reserve the right to treat any Application Form as invalid where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and Application Form nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer.

The contents of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and Application Form 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. 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. In addition, neither our Company nor

the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (“**United States**” or “**U.S.**”), or to, or for the account or benefit of “U.S. persons” (as defined in Regulation S of the Securities Act), except in a transaction not subject to, or exempt from the registration requirements of the Securities Act. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer, Letter of Offer or Abridged Letter of Offer and the enclosed Application Form should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is, either a U.S. Person or otherwise in the United States when the buy order is made. Envelopes containing a Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an 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 the Issue on a rights basis to Eligible Shareholders and the Letter of Offer/ Abridged Letter of Offer and Application Form will be dispatched only to Eligible Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, (ii) it is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States when the buy order is made, and (iii) it is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) appears to us or our agents to have been executed by a U.S. Person; (iv) where a registered Indian address is not provided; or (v) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references herein to ‘India’ are to the Republic of India and its territories and possessions and the ‘Government’ or ‘GoI’ or the ‘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 Draft 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.

In this Draft Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Financial Data

Unless otherwise specified or the context otherwise requires, the financial data in this Draft Letter of Offer is derived from the Consolidated Audited Financial Statements of our Company as of and for the financial year ended March 31, 2022 and Consolidated Unaudited Financial Results for the six months ended September 30, 2022.

Further, the financial information as of and for the financial year ended March 31, 2021 is derived from the comparatives presented in the Consolidated Audited Financial Statements as of and for the financial year ended March 31, 2022.

The Consolidated Unaudited Financial Results for the six months ended September 30, 2022 are not indicative of the full year performance of the Company and hence are not comparable with the financial information presented for the year ending March 31, 2022.

Our Company publishes its financial statements and financial results in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

In this Draft Letter of Offer, any inconsistencies in any table between the aggregate and the total of the sums recorded are because of rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in this Draft Letter of Offer.

Our Company’s financial year commences on April 01 and ends on March 31 of each year, so all references to a particular financial year, unless stated otherwise, are to the twelve months period ended on March 31 of that year.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled “*Risk Factors*” on page 17 of this Draft Letter of Offer have been calculated on the basis of the Financial Statements of our Company prepared in accordance with Ind AS and the Companies Act, 2013.

Currency and Units of Presentation

All references to “Rupees”, “Rs.”, “INR”, “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “USD”, or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America. All references to “EUR”, or “€” are to Euro, the official currency of the member states of the European Union. In this Draft Letter of Offer all references to “lac(s)” or “Lakh(s)” are used interchangeably.

Non-Ind AS measures

Certain non-Ind AS financial measures and certain other statistical information relating to our operations and financial performance like net worth, return on net worth, net asset value per equity share and Earnings before

interest, tax, depreciation and amortisation (“**EBITDA**”) have been included in this Draft Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS. These are supplemental measures of our performance and liquidity that is not required by, or presented in accordance with, Ind AS.

Further, these measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non GAAP measures, are not standardised terms and have limited usefulness as a comparative measure. Although such Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company’s operating performance

Please Note:

One million is equal to 1,000,000/10 Lakhs;
One billion is equal to 1,000 million/100 crores;
One Lakh/lac is equal to 100 thousand;
One crore is equal to 10 million/100 Lakhs

FORWARD LOOKING STATEMENTS

This Draft Letter of Offer includes statements which contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue”, and similar expressions or variations of such expressions, that are “forward looking statements”.

These forward looking statements contained in this Draft 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 us 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 expectations include, but are not limited to:

- COVID-19 pandemic and resulting deterioration of general economic conditions;
- Inability to upgrade manufacturing processes and technological capability with evolving trends in the specialty chemicals industry and inability to meet our customers’ preferences;
- General economic conditions;
- Changes in political and social conditions in India and also in other countries with whom the company has direct business relevance;
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Contingent liabilities, environmental problems and uninsured losses;
- Increasing competition in the industry;
- Strikes or work stoppages by our employees;
- Accidents and natural disasters;
- Loss of or shut down of operations at any of our manufacturing facility;
- Volatility in the supply or price of raw materials;
- Failure to respond to the technological advances;
- Failure to safeguard the reputation of our brand or failure to enhance our brand recognition;
- Downturn in specialty chemicals industry;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Developments affecting the Indian economy;
- Changes in laws and regulations that apply to the industry;
- Uncertainty in global financial markets.

For a further discussion of factors that could cause the actual results to differ, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on page 17, 57 and 118 respectively of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the Lead Manager nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchange’s requirements, our Company and Lead Manager shall ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – LETTER OF OFFER SUMMARY

Summary of primary business:

Our Company is engaged in the business of manufacturing of bulk chemicals such as Sulphuric acid and Oleum and downstream products such as Sulphur dioxide and Sulphur trioxide. Our Company has one manufacturing facility which is situated in the state of Gujarat at Ankleshwar.

Objects of the Issue:

The proposed utilisation of Net Proceeds from the Issue is set forth below:

(₹ in Lakhs)

Sr. No.	Particulars	Amount
1.	Investment in our Wholly Owned Subsidiary, viz. Amal Speciality Chemicals Limited (ASCL) for repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Wholly Owned Subsidiary.	3,700
2.	General Corporate Purpose*	[●]
	Net Proceeds from the Issue	[●]

**Subject to the finalisation of the Basis of Allotment and the Allotment of the Rights Equity Shares. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Means of Finance

(₹ in Lakhs)

Source	Amount
Gross Proceeds from the Issue	Up to 4,995

Intention and extent of participation by our Promoter(s) and Promoter Group in the Issue:

Our Promoters and entities forming part of our Promoter Group have, *vide* their letters dated January 20, 2023 (the "**Subscription Letters**") indicated their intention to subscribe/ to the full extent of their Rights Entitlement and not to renounce any portion of their rights entitlement. Further, they reserve the right to apply for, and subscribe to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

The Promoters have confirmed that such acquisition of Equity Shares will not result in a change of control or the management of our Company, and any such acquisition shall be subject to the aggregate shareholding of the Promoters and Promoter Group of our Company not exceeding 75% of the issued, outstanding and fully paid-up equity share capital of our Company after the Issue.

Any participation by our Promoters and Promoter Group, over and above the Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Financial Information:

The following table sets forth summary financial information derived from the Consolidated Audited Financial Statements and the Consolidated Unaudited Financial Results of the Company. The financial information as of and for the financial year ended March 31, 2022 is derived from the comparatives presented in the Consolidated Audited Financial Statements as of and for the financial year ended March 31, 2022.

(₹ in Lakhs)

Particulars	For the six months ended September 30, 2022	For the Fiscal	
		2022	2021
Share Capital	942.50	942.50	942.50
Net Worth ⁽¹⁾	2,755.50	3,534.54	3,425.53
Total Income	2,582.53	4,379.49	3,166.50
Profit/ (loss) after tax	(778.32)	110.94	879.75
Basic and Diluted EPS (in ₹)	⁽²⁾ (8.26)	1.18	9.33
Net asset value per share (in ₹) ⁽³⁾	29.24	37.50	36.35
Total borrowings ⁽⁴⁾	5,930.55	5,105.32	565.05

⁽¹⁾ Equity share capital and other equity⁽²⁾ Not annualised⁽³⁾ Net asset value shall mean Equity share capital and other equity⁽⁴⁾ consists of borrowings under non-current liabilities, current maturities of long-term debts and borrowings under current liabilities**Outstanding Litigations:**

A summary of outstanding litigation proceedings pertaining to our Company as on the date of this Draft Letter of Offer is provided below.

Sr. No.	Outstanding Litigations	Number of Matters	Financial implications to the extent quantifiable (₹ in Lakhs)
1.	Proceedings involving moral turpitude or criminal liability on the part of our Company	Nil	Not applicable
2.	Litigation involving material violations of statutory regulations by our Company	Nil	Not applicable
3.	Proceedings involving economic offences initiated against our Company	Nil	Not applicable
4.	Litigation involving an amount above the Materiality Threshold	2	62.86

The amounts mentioned above may be subject to additional interest/ penalties being levied by the concerned authorities for delay in making payment or otherwise. The amount of interest/ penalties that may be levied is unascertainable as on date of this Draft Letter of Offer. For further details regarding these legal proceedings, please refer to chapter titled “Outstanding Litigations and Defaults” on page 123 of this Draft Letter of Offer.

Risk Factors:

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see “Risk Factors” on page 17 of this Draft Letter of Offer.

Contingent Liabilities:

As of March 31, 2022, we have certain contingent liabilities as per Ind AS 37. Details of the same are as under:

(₹ in Lakhs)

Particulars	Amount
Claims against the Company not acknowledged as debt	
Sales tax	62.86
Corporate guarantee for subsidiary company	5,100.00

For disclosure of contingent liabilities as per Ind AS 37 as at March 31, 2021 please see the section Financial Statements – “*Note 26.1: Contingent liabilities*” on page 108 of this Draft Letter of Offer.

Related Party Transactions:

For details of related party transactions of our Company, as per the requirements under Ind AS 24 ‘Related Party Disclosures’ for the financial year ending March 31, 2022 please see Consolidated Financial Statements - “*Note 26.3 Related party disclosures*” on page 108 of this Draft Letter of Offer.

Issuance of Equity Shares for Consideration other than cash:

Our Company has not issued Equity Shares for consideration other than cash during the last one year immediately preceding the date of filing of this Draft Letter of Offer.

SECTION III - RISK FACTORS

*An investment in equity shares involves a high degree of risk. The risks described below together with other information contained in this Draft Letter of Offer should be carefully considered by the prospective investors before making an investment decision. Prospective investors should carefully consider all the information contained in the section titled “**Financial Information**” on page 71 for the information related to the financial performance of our Company. The risks described in this section are those that we consider to be the most significant to our business, results of operations, financial condition, cash flows and prospects. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. If any or a combination of the following events occur, our business, results of operations, financial condition and prospects could materially suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

The following risk factors have been determined by our Board of Directors on the basis of their materiality. In accordance with Clause (VI) in Part B of Schedule VI of the SEBI ICDR Regulations, the following factors have been considered for determining the materiality: (i) Some events may not be material individually, but may be found material collectively, (ii) some events may have material impact qualitatively instead of quantitatively; and (iii) some events may not be material at present but may have material impact in the future.

INTERNAL RISK FACTORS

- 1. We derive a significant portion of our revenues from our top three customers. The loss of revenues from such customers, in particular would have an adverse impact on our results of operations and financial condition.***

We are dependent on a limited number of key customers for a significant portion of our revenues. For the Fiscals 2022 and 2021 our top three customers contribute approximately 87.36% and 93.57%, respectively, of our total revenue from operations out of which major portion of the revenue was from Atul Limited. Furthermore, most of the business that we conduct with our top customers is through purchase orders that are placed from time to time. We do not typically have exclusivity arrangements with our customers, including our key customers. We cannot assure you that we will be able to maintain historic levels of business from our key customers

The loss of one or more of our significant 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, the specialty chemicals industry or the economic environment generally, such as the COVID-19 pandemic, could have an adverse effect on our business, results of operations, financial condition and cash flows.

We presently do not have any long-term or exclusive arrangements with any of our customers and we cannot assure you that we will be able to sell the quantities we have historically supplied to such customers. In the event our competitors’ products offer better margins to such customers or otherwise incentivize them, there can be no assurance that our customers will continue to place orders with us. Most of our transactions with our customers are typically on a purchase order basis without any commitment for a fixed volume of business. There can also be no assurance that our customers will place their orders with us on current or similar terms, or at all. Further, our customers could change their business practices or seek to modify the terms that we have customarily followed with them, including in relation to their payment terms. In the event our customers alter their requirements, it could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows. In addition, our customers may also cancel purchase orders at short notice or without notice, which could have an impact on our inventory management. In the event of frequent cancellations of purchase orders, the same could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Although our Company maintains long-term relationship with our major customers, there can be no assurance that we will continue to maintain such relationship with our customers. Further, in the event our customers

experience any delays in placing orders with us, or if they prefer to buy the products of our competitors, it could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows. Our inability to maintain our existing customer network could have a negative impact on our sales, business growth prospects, result in slowdown of operation, financial conditions and cash flows. Further, the performance of our customers, their sales network and their ability to expand their businesses are crucial to the future growth of our business and directly affect our sales volume and profitability. If any of the customers fails to sell our products to the end customers, or if our relationships with our customers are affected, our profitability could be significantly affected.

2. *Our Company has heavy reliance on related party transactions and may continue to do so in the future.*

Our Company has entered into transactions with certain of its related parties. Our sales to the related parties amount to ₹ 3,141.17 Lakhs and ₹ 2,376.38 Lakhs for the Fiscals 2022 and 2021, respectively which have contributed approximately 72.24% and 78.12% of our total income from operations during these periods. For details of related party transactions of our Company for the Fiscals 2022 and 2021, as per the requirements under Ind AS 24 'Related Party Disclosures' please see Financial Statements - "Note 26.3: Related Party Transactions" on page 108 of this Draft Letter of Offer.

Other than the above mentioned transactions, we enter into transactions with related parties, such as with our Holding and Subsidiary Companies in the ordinary course of our business, such as for, among others, provision of loans, lease of premises, purchase of goods and services, provision of professional services, managerial remuneration and contributions to various funds. All such transactions have been conducted on an arm's length basis, and in accordance with the applicable laws and regulations pertaining to the evaluation and approval of such transactions and have not been prejudicial to the interests of our Company.

While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Further, it is likely that our Company will continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

3. *We are largely dependent on one supplier for our raw materials and an inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a negative impact on our business, results of operations, financial condition and cash flows.*

We purchase our major raw material i.e. Sulphur mainly from one supplier on formula based pricing as mutually agreed upon. Further, our total purchases of raw materials are concentrated from only seven suppliers. However, there is no direct/ indirect relationship between such entities and our Company, our Promoter, Directors and Promoter Group members save and except Atul Limited, which is the supplier of caustic soda (one of the raw materials which constitutes less than 1% of our total purchases) to our Company. Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices.

We have a mutual understanding with our primary supplier and we also enter into agreement with them from time to time. However, the absence of long-term supply contracts subjects us to risks such as price volatility caused by various factors viz. commodity market fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic government policies and regulatory changes. If we cannot fully offset the increase in raw material prices with increase in the prices for our products, we will experience lower profit margins, which in turn may have a material adverse effect on our results of operations, financial condition and ultimately lead to a liquidity crunch. In the absence of such contracts, we are also exposed to the risk of unavailability of certain raw materials in desired quantities and qualities, in a timely manner.

Although we have not faced significant disruptions in the procurement of raw materials in the past, COVID-19 pandemic temporarily affected our ability to source raw materials from certain vendors who were unable

to transport raw materials to us. There can thus, be no assurance that in future we will be able to procure the required quantities and quality of raw materials commensurate with our requirements. There can also be no assurance that a particular supplier will continue to supply us with raw materials in the future. Any delay in supplying finished products to customers in accordance with the terms and conditions of the purchase orders, such as delivery within a specified time, as a result of delayed raw material supply, could result in the customer refusing to accept our products, which may have an adverse effect on our business and reputation. Further, we cannot assure you of our ability to enter into fresh agreements 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 as well as the commitments to our customers, which may impact our business and profitability.

4. Our Company has incurred losses in the past and may continue to suffer losses in the future.

We have incurred loss after tax on consolidated basis of ₹ 778.32 Lakhs in the six months period ended September 30, 2022 and as a result our Company had negative EPS for this period. Further, we may incur losses in future for a number of reasons, including the other risks described in this Draft Letter of Offer and we may also encounter unforeseen expenses, difficulties, complications, delays and other unknown events. If we incur losses in the future, our financial condition, our reputation and the market price of our Equity Share could suffer.

5. Our Company has negative cash flows from operating and investing activities in the previous Fiscals. Sustained negative cash in future could affect our growth and results of operations.

Our Company has negative cash flows from its operating and investing activities in the recent past which is mainly due to the investment made in the wholly owned subsidiary i.e. Amal Speciality Chemicals Limited. The details of such negative cash flows in the immediately preceding two financial years as per the consolidated cash flow statement are as follows:

(₹ in Lakhs)

Particulars	For the six months ended September 30, 2022	For the year ended March 31,	
		2022	2021
Net cash (used in)/ generated from operating activities	590.95	(148.91)	1,047.34
Net cash (used in) investing activities	(1,251.61)	(4,337.27)	(1,080.84)
Net cash from financing activities	708.54	4444.74	35.38

If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For further details please refer to the section titled “Financial Information” beginning on page 71 of this Draft Letter of Offer.

6. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business and failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations, in a timely manner or at all may adversely affect our operation.

Being a manufacturing company, we require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for a fixed period of time and need renewal from time to time. We are required to renew such permits, licenses and approvals periodically. There can be no assurance that the relevant authorities will issue such permits or approvals to our Company or that they will issue these in time. Further, these permits, licenses and approvals are subject to several conditions and our Company may not be able to continuously meet the conditions and this may lead to cancellation, revocation or suspension of relevant permits / licenses / approvals. Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals or any contravention of or non-compliance with the terms of various regulatory approvals applicable to the manufacturing facility may also require us

to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities resulting in the interruption of our Company's operations and may have a material impact on our business prospects, financial condition and cash flows. For details of pending regulatory and government approvals necessary for the objects of the Issue, please refer chapter "Government and Other Approvals" on page 125 of this Draft Letter of Offer.

7. ***We have only one manufacturing facility and thus we are located in one geographic area i.e. Ankleshwar, Gujarat. Therefore, any localised social unrest, natural disaster or breakdown of services or any other natural disaster in and around Ankleshwar, Gujarat or any disruption in production at, or shutdown of, our manufacturing facility could have material adverse effect on our business and financial condition.***

As on the date of this Draft Letter of Offer, we have only one manufacturing facility which is located in Ankleshwar, Gujarat. Accordingly, our current manufacturing operations is concentrated in one geographic area. Further, the manufacturing facility of our wholly owned subsidiary Amal Speciality Chemicals Limited is also located in Ankleshwar, Gujarat. Our manufacturing operations and consequently our business is dependent upon our ability to manage these manufacturing facilities, which is subject to operating risks, including those beyond our control. In the event of any disruptions at these manufacturing facilities, due to natural or man-made disasters, workforce disruptions, delay in regulatory approvals, fire, failure of machinery, lack of continued access to assured supply of electrical power and water at reasonable costs, changes in the policies of the states or local government or authorities or any significant social, political or economic disturbances or civil disruptions in and around Ankleshwar, Gujarat, our ability to manufacture our products may be adversely affected.

In addition to the loss as a result of a fire or industrial accident, any shutdown of our manufacturing facility could result in us being unable to meet with our commitments, result in modification of our business strategy, or require us to incur significant capital expenditure, which will have an adverse effect on our business, results of operation and financial condition. Disruptions in and around our manufacturing facility could delay production or require us to shut down the facility

8. ***Volatility in prices of our raw material (including Sulphur) and our inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a material adverse effect on our business, results of operations, financial condition and cash flows.***

The principal raw material in making Sulphuric acid or Oleum is Sulphur. Of late, the prices of Sulphur have been on an upward trend. The cost of raw material has increased in the Fiscal 2022 which has resulted in reduced profitability margins. Any further increase in the prices of Sulphur without corresponding increase in sales price of finished products, may adversely impact the business of our Company. We have not been able to pass on the increase in prices of Sulphur to our customers in the past and we cannot assure that we will be able to do so in future. Further, our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. We depend on external suppliers for all the raw materials required and typically purchase raw materials on a purchase order basis and place such orders with them in advance on the basis of our anticipated requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. We are subject to risk of price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. If we are not able to fully offset the increase in raw material prices with increase in the prices for our products, we will experience lower margins, which in turn may have a material adverse effect on our results of operations, financial condition, and cash flows. In the absence of such contracts we are also exposed to the risk of unavailability of certain raw materials in desired quantities and qualities, in a timely manner or at all.

Although we have not faced significant disruptions in the procurement of raw materials in the past, there can be no assurance that in future we will be able to procure the required quantities and quality of raw materials commensurate with our requirements. There can also be no assurance that a particular supplier will continue

to supply us with raw materials in the future. Any delay in supplying finished products to customers in accordance with the terms and conditions of the purchase orders, such as delivery within a specified time, as a result of delayed raw material supply, could result in the customers refusing to accept our products, which may 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.

9. We have certain contingent liabilities which had not been provided for in our balance sheet.

As of March 31, 2022, we have certain contingent liabilities reported as per Ind AS 37, details of the same are as under:

(₹ in Lakhs)	
Particulars	Amount
Claims against the Company not acknowledged as debt	
Sales tax	62.86
Corporate guarantee for subsidiary company	5,100.00

In the event that any of our contingent liabilities become crystallised, our business, financial condition and results of operations may be adversely affected.

10. Some of the raw materials that we use as well as our finished products are flammable and hazardous and require expertise in handling and storage. While we take adequate care and follow all relevant safety measures, there is a risk of fire and other accidents, at our manufacturing facility. Any accidents may result in loss of property of our Company and/ or disruption in the manufacturing processes which may have a material adverse effect on our results of operations, cash flows and financial condition.

Our Company manufactures Sulphuric acid and oleum and our downstream products are Sulphur dioxide and Sulphur trioxide. Each of these products are manufactured using Sulphur. Consequently, our raw material as well as certain of our finished goods are flammable and/ or hazardous and require expert handling and storage, failing which we may be exposed to fires or other industrial accidents. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and/ or environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and / or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition.

In addition to the loss as a result of such fire or industrial accident, any shutdown of our manufacturing facility could cause inability to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. Further, any fire or industrial accident, any shutdown of any of our manufacturing facility or any environmental damages 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.

We cannot assure you that despite our best efforts we will not face similar situations which may result in significant loss to our Company and/or a disruption of our manufacturing operations. The loss incurred by our Company may or may not be recoverable through insurance maintained by us. Such loss and/or disruption of our manufacturing operations may have a material adverse effect on our operations, cash flows and financial condition.

11. *Our Statutory Auditors have included certain key audit matters in our Consolidated Audited Financial Statements for the financial year ended March 31, 2022.*

The auditor's report to the Consolidated Audited Financial Statements for the year ended March 31, 2022 includes a key audit matter referring to a note in the financial statements which is as follows:

“Revenue from sale of goods to parent company

Significant revenue of the Company is generated through sale of goods to its holding company. The occurrence of such transactions and their pricing on an arm's length basis were significant areas of audit focus.”

There can be no assurance that any similar key audit matters or matters of emphasis or remarks will not form part of our financial statements for the future fiscal periods, or that such remarks will not affect our financial results in future fiscal periods. Investors should consider the remarks and observations in evaluating our financial condition, results of operations and cash flows. Any such remarks or matters of emphasis in the auditors' report and/ or CARO report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

12. *There are certain discrepancies/ errors noticed in some of forms filed with the Registrar of Companies under the provisions of Companies Act, 2013 and other applicable laws. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.*

We are subject to various compliances and are required to file various forms/ reports with ROC under the Companies Act and other statutory authorities from time to time under the applicable laws. However, there may have been instances in the past of non-compliance or non-filing of these requirements including non-filing of one form MGT-14 for special resolution passed for re-appointment of some of the directors of our Company.

We are in the process of regularization of the aforementioned non-filing and we may be subject to penalties/ fines by ROC. However, we cannot assure you that such delays or non-compliances will not occur in future and such delay in filing the forms and/ or any non-compliances may expose our Company to fines and penalties from regulatory authorities.

13. *Any unscheduled or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition, results of operations and cash flows.*

Any unscheduled or prolonged disruption of our manufacturing operations, including power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to manufacture our products and adversely affect sales and revenues from operations during such period. The occurrence of any such incidents could also result in a destruction of certain assets and adversely affect our results of operations. Any such disruption may interrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities that may involve additional time and increase our costs. In particular, due to the COVID-19 pandemic, operations at our manufacturing facility were temporary suspended in the last week of March 2020 owing to the lockdown imposed by the Government, and we subsequently resumed operations in a phased manner in last week of April 2020. Our customers rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Although we take precautions to minimise the risk of any significant operational problems at our manufacturing facilities, our customer relationships, business, financial condition, results of operations and cash flows, may be adversely affected by any disruption of operations at our manufacturing facilities, including due to any of the factors mentioned above.

Disruptions in our manufacturing operations could delay production or require us to temporarily cease operations at our manufacturing facilities. We may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. As regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be fulfilled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to make alternate arrangements for supplies and products in order to meet our production requirements, which could affect our profitability.

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

Wage costs as well, as operating costs, in India have historically been significantly lower than wage costs and operating costs in the other developed economies; and these reduced costs have been one of the sources of our competitive strengths. However, wage and operating expense increases 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 proposes to subsume 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 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 result in a material adverse effect on our business and financial condition and result of operations.

15. *Stringent environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures.*

Our operations are subject to environmental, health and safety and other regulatory and/ or statutory requirements in the jurisdictions in which we operate. We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India. Non-compliance with these laws and regulations could expose us to civil penalties, criminal sanctions and revocation of key business licenses. Environmental laws and regulations in India are becoming more stringent and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and emissions management.

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

16. *Our success depends largely on the senior management personnel and the Company's ability to attract and retain the senior personnel.*

Our success depends on the continued services and performance of the members of the management team and other key personnel. Competition for senior management personnel in the industry is intense and the Company may not be able to retain the existing senior management team or attract and retain new senior management talent in the future. The loss of the services of the senior managerial personnel could seriously impair the ability to continue to manage and expand the Company's business which may adversely affect the business, results of operations and financial condition.

17. *Our insurance coverage may not be adequate to protect us against all potential losses, which may have an adverse effect on our business, financial condition and results of operations.*

Our operations are subject to various risks inherent in the sectors in which we operate, such as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. Our insurance cover includes, among other things, insurance under Group Personnel Accident Insurance, Industrial All Risk, etc. As of March 31, 2022, on standalone basis, the fixed assets were insured to the extent of 1.3 times of the Gross block (sum assured ₹ 24.98 crores) & the Current Assets (sum assured ₹ 1.4 crores) comprising of Inventory were insured to the extent of 0.5 times. The total insurance expense was ₹ 7 Lakhs for our registered office and the factory. These expenses were incurred towards insurance policies obtained for coverage of risk against – Group Personnel Accident, Burglary, Marine, Cash Transit, Public Liability, etc.

However, we may not have identified every risk and further may not be insured against every risk, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honoured fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

18. *Our Promoter and promoter group will continue to exercise significant control over our business and shall be in a position to direct the corporate actions which may affect the interest of other shareholders.*

Our Promoter and Promoter Group hold 66.86% of our equity share capital. As a result, they are in a position to continue to exercise significant control over our business and all matters requiring shareholder approval, including timing and distribution of dividends, election of officers and directors, our business strategy and policies, approval of significant corporate transactions such as mergers and business combinations and sale of assets. Their control could approve or impede a merger, consolidation, takeover or other business combination involving us.

19. *We employ a substantial labour force and in case any labour disputes arise in the course of our business operations, the same could disrupt operations and adversely affect the results of operations and financial condition of our Company.*

Our manufacturing process requires skilled and unskilled labour. Any disputes between the management and labour in our Company can result in a disruption of our manufacturing activities and thereby affect the profitability of our Company.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers during employment and upon retrenchment. Under Indian law, workers also have a right to establish trade unions. Furthermore, it may become difficult for us to maintain flexible labour policies in case cost of labour in our industry increases. Any eventualities may adversely impact our operations and financial condition. Whilst we believe that presently, we share good relationship with our employees and labour, we may experience unrest or slowdowns, increase in wage costs and employee

numbers. We have not experienced any labour unrest in the past. However, there can be no assurance that we will not experience labour unrest in the future, which may delay or disrupt our operations. Any labour unrest including labour disputes, strikes and lock-outs, industrial accidents, experienced by us could directly or indirectly prevent or hinder our normal operating activities and, if not resolved in a timely manner, could lead to disruptions in our operations. In the event of any prolonged delay or disruption our business, results of operations and financial condition could be materially and adversely affected.

20. Our Company is a party to certain litigations, the outcome of which could adversely affect our business operations and financial condition.

Our Company is party to certain legal proceedings which may be incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any adverse decision may render us liable to liabilities/penalties and may adversely affect our business and results of operations. A classification of these legal and other proceedings are given in the following table:

Sr. No.	Outstanding Litigations	Number of Matters	Financial implications to the extent quantifiable (₹ in Lakhs)
1.	Proceedings involving moral turpitude or criminal liability on the part of our Company	Nil	Not Applicable
2.	Litigation involving material violations of statutory regulations by our Company	Nil	Not Applicable
3.	Proceedings involving economic offences initiated against our Company	Nil	Not Applicable
4.	Litigation involving an amount above the Materiality Threshold	2	62.86

The amounts mentioned above may be subject to additional interest/ penalties being levied by the concerned authorities for delay in making payment or otherwise. The amount of interest/ penalties that may be levied is unascertainable as on date of this Draft Letter of Offer. For further details regarding these legal proceedings, please refer to chapter titled “*Outstanding Litigations and Defaults*” on page 123 of this Draft Letter of Offer.

21. The specialty chemicals industry is capital intensive, and we may need to seek additional financing in the future to support our growth strategies. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows.

The specialty chemicals industry is capital intensive. We require a substantial amount of capital and will continue to incur significant expenditure in maintaining and growing our existing infrastructure, purchase equipment and develop and implement new technologies in our new and existing manufacturing facilities. In Fiscals 2022 and 2021, and the six months ended September 30, 2022, we incurred capital expenditures of ₹ 6602.22 Lakhs, ₹ 805.43 Lakhs and ₹ 1236.82 Lakhs, respectively, directly or through our wholly owned subsidiary Amal Speciality Chemicals Limited. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. If our internally generated capital resources and available credit facilities are insufficient to finance our capital expenditure and growth plans, we may, in the future, have to seek additional financing from third parties, including banks, venture capital funds, joint-venture partners and other strategic investors. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the COVID-19 pandemic, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to obtain such financing in a timely manner, at a reasonable cost and on acceptable terms or at all, we may be forced to delay our expansion plans, downsize or abandon such plans, which may materially and adversely affect our business, financial condition and results of operations, as well as our future prospects.

- 22. *Our manufacturing facility is located on leasehold premises and the Registered Office has been taken from our Holding Company i.e. Atul Limited on permission to use. If the Lease Deed or permission to use are terminated or not renewed on terms acceptable to us, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our manufacturing facility at GIDC Ankleshwar, Gujarat and is situated on parcel of land that we have taken on leasehold basis from third party i.e. GIDC for a period of 99 years commencing from 1979. Further, our Registered office has been given to us by our Holding Company i.e. Atul Limited, to use and occupy the same on mutual understanding. We may not be able to renew or extend these agreement/ arrangements at commercially acceptable terms, or at all. Further, we may be required to re-negotiate rent or other terms and conditions of such agreement/ arrangement. We may also be required to vacate the said premises at short notice and we may not be able to identify and obtain possession of an alternate location, in a short period of time. Occurrence of any of the above events may have a material adverse effect on our business, results of operations, financial condition, and cash flows. Further, any adverse impact on the ownership rights of our lessor/ owner may impede our effective future operations. Further, our lease agreement shall expire in due course and in case of non-renewal of our lease or if such agreement is renewed on unfavorable terms and conditions, we may be forced to procure alternative space. We may also face the risk of being evicted in the event that our lessor allege a breach on our part of any terms under the lease deed and there is no assurance that we will be able to identify suitable locations to re-locate our operations.

- 23. *We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.***

As a manufacturing business, our success depends on the smooth supply and transportation of the raw materials and finished products to/ from our manufacturing facility from/ to our suppliers and customers. We transport our raw materials and our finished products by road. Our suppliers undertake the delivery of our raw materials and we rely on third party logistic companies and freight forwarders to deliver our products with whom we have contractual relationships. Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any recompense received from insurers or third party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

- 24. *Intellectual property rights are important to our business and we may be unable to protect them from being infringed by others which may adversely affect our business value, financial condition and results of operations.***

As on the date of this Draft Letter of Offer, we have 1 trademark  registered under the provisions of the Trade Marks Act, 1999. We cannot assure that third parties will not infringe on our intellectual property, thereby causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third-party claim on any of our unprotected brand may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate

in order to determine the validity of such claims and the scope of the proprietary rights of others. 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.

25. *Significant disruptions of information technology systems or breaches of data security could adversely affect our business.*

Our business has substantial dependence upon information technology systems, including internet-based systems, to support business processes. We also utilise an enterprise resource planning solution which covers production, finance, sales, logistics, purchase and inventory, across our manufacturing facility and offices. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. We cannot assure you that we will not encounter disruptions to our information technology systems including the failure of servers and backup systems in the future and any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorised persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Any such security breaches could have an adverse effect on our business and reputation.

26. *Any adverse change in regulatory requirements governing our products and the products of our customers, may adversely impact our business, prospects, results of operations and financial condition.*

Regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the laws governing the manufacturing of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations. We may be required to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with such changes or additional regulatory requirements.

If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Further, changes in regulatory requirements, may result in our customers being unable to utilise our products for manufacturing their respective products. There is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, prospects, results of operations and financial condition.

27. *The objects for which we propose to utilise Issue proceeds are neither appraised by any Bank or Financial Institution nor any independent agency is appointed to monitor the deployment of proceeds. Our management will have the flexibility in applying the issue proceeds.*

The fund requirements and proposed deployment are based on internal estimates of our management and have not been appraised by any Bank or Financial Institution. Shareholders/ investors shall rely on management's ability and experience to draw correct estimates. Non-appraisal of estimates by external agencies such as Banks or Financial Institutions makes such estimates susceptible to change any time in future.

Further, as per SEBI ICDR Regulations, appointment of monitoring agency is required only for Issue size above ₹ 10,000 Lakhs. Since, our issue size is below this amount, we have not appointed a monitoring agency

to monitor the utilisation of Issue proceeds.

We intend to use the Issue proceeds in the manner as described in the section titled “*Objects of the Issue*” on page 44 of this Draft Letter of Offer. We cannot assure you that the issue proceeds will be utilised in conformity with the cost or schedule of implementation as described under the said chapter. Our funding requirements for the objects and deployment schedule are based on current conditions and are subject to change in light of external factors which may not be in our control. This may also include rescheduling the proposed utilisation of issue proceeds at the discretion of our management. Our Company may make necessary changes to such utilisation in conformity with the provisions of the Companies Act and SEBI ICDR Regulations in relation to the change in the objects of the issue. Accordingly, shareholders /investors in the offer will need to rely on our management’s judgment with respect to the use of proceeds. If we are unable to enter into arrangements for utilisation of issue proceeds as expected in a timely manner, we may not be able to derive expected benefits from the proceeds of the issue and our business and financial results may suffer.

28. *Our ability to pay dividends will depend upon earnings, financial condition, cash flows, working capital requirements, lender’s approvals and other factors.*

Our Company has not declared any dividend for the Fiscals 2021 and 2022. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lenders’ approvals and other factors. There can be no assurance that we shall have distributable profits or that we will declare dividends in the future. Additionally, the terms and conditions of any financing we obtain in the future, may include restrictive covenants which may also affect some of the rights of our shareholders, including the payment of the dividend.

29. *A significant portion of the Issue proceeds will be utilised by our Company to invest in wholly owned subsidiary for part- repayment or prepayment of term loans availed by our subsidiary company named Amal Speciality Chemicals Limited which is amounting to ₹ 3,700 Lakhs.*

The main object of the Issue is to invest in wholly owned subsidiary named Amal Speciality Chemicals Limited to partly repay or pre pay the term loans availed by our wholly owned subsidiary named Amal Speciality Chemicals Limited amounting to ₹ 3,700 Lakhs. For further details, please see the chapter titled “*Objects of the Issue*” beginning on page 44 of this Draft Letter of Offer. The amount of Net Proceeds utilized towards such investment in our wholly owned subsidiary will not be available for use in our business for any other purposes.

EXTERNAL RISK FACTORS

30. *Deterioration in global economic conditions could have a material adverse impact on our sales and results of operations.*

The chemicals industry and the demand for chemicals is influenced by general economic conditions including among other things, rates of economic growth, availability of credit, disposable income of consumers, interest rates, environmental and tax policies, safety regulations, freight rates and fuel and commodity prices. As Sulphuric acid caters directly to phosphate fertilizers, explosives, other acids, dyes, wood preservatives and automobile batteries, negative trends in any of these sectors impacting the regions where we operate would materially and adversely affect our business, financial condition and results of operations.

The Indian chemical industry is affected materially by the general economic conditions in India and around the world. Muted industrial growth as a result of continuing high levels of inflation and interest rates continues to pose risks to overall growth in this market. A continuation of negative economic trends or further deterioration in key economic metrics such as the growth rate, interest rates and inflation could materially and adversely affect our sales in India and results of operations.

Although economic conditions are different in each country, investors' reactions to economic developments in one country can have adverse effects on the securities of companies and the economy as a whole. A loss of investor confidence in the financial systems of other emerging markets may cause 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, including the movement of exchange rates and interest rates in India.

In the event the growth rate / recovery of global economy is slower than expected, or if there is any significant financial disruption, this could have a material adverse effect on our cost of funding, portfolio of financing loans, business, prospects, financial condition, results of operations and the trading price of our Securities.

31. *Financial instability in Indian and Global financial markets could adversely affect our Company's results of operations and financial condition.*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares.

32. *Political instability or significant changes in the economic liberalisation and deregulation policies of the Government or in the government of the states where we operate could disrupt its business.*

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of its securities may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India. In recent years, India has been following a course of economic liberalisation and our business could be significantly influenced by economic policies followed by the Government.

However, there can be no assurance that such policies will continue in the future. The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

33. *Natural disasters and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and the trading price of our Equity Shares to decrease.*

Our operations may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as political instability, terrorism or military conflict, protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which may affect our manufacturing processes. Damage or destruction that interrupts our production could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. We may also be liable to our customers for disruption in supply resulting from such damage or destruction. Our insurance coverage for such liability may not be sufficient. Any of the above factors may adversely affect our business, our financial results and the price of our Equity Shares.

RISKS RELATING TO THE ISSUE

34. *Any future issuance of equity shares by our Company or sale of our equity shares by any of our Company's significant shareholders may affect the trading price of our equity shares.*

Any future issuance of Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sale of our Equity Shares by any of our significant shareholders may also affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further equity shares or that the shareholders will not dispose of, pledge, or otherwise encumber their equity shares. In addition, any perception by investors that such issuances or sale might occur could also affect the trading price of our equity shares.

35. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

36. *No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.*

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchange during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchange, the trading of Rights Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

37. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has been introduced by SEBI in 2020. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. Further, while in accordance with the SEBI Rights Issue Circulars, the credit of Rights Entitlements shall be made into the demat accounts of the Eligible Equity Shareholders as on the Record Date, such Eligible Equity Shareholders shall be participating in the Issue only in accordance with the applicable laws in their respective jurisdictions. SEBI, vide circular dated May 19, 2022, has changed the minimum time period between closure of trading of Rights Entitlements on the stock exchange platform and closure of the rights issue to at least three working days. For details, see "*Terms of the Issue*" beginning on page 134.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only and the physical shareholders will not have the option of getting the allotment of Rights Equity Shares in physical form. Accordingly, the Rights Entitlements of the physical shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The physical shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the physical shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialised form (except in case of transmission or transposition of Equity Shares).

38. Our Company will not distribute the Issue Materials to certain overseas Shareholders who have not provided an address in India for service of documents.

We will dispatch this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Application Form and Rights Entitlement Letter (the “Issue Materials”) to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

39. Applicants to the Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition or other events affecting the Applicant’s decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. In that case, the shareholder will suffer an immediate unrealised loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

40. We cannot guarantee that the Equity Shares issued under this Issue will be listed on the Stock Exchange in a timely manner, if at all.

In accordance with Indian law and practice, after our Board or committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the investors, we are required to apply to the Stock Exchange for final approval for listing and trading of the Equity Shares. There could be a failure or delay in obtaining these approvals from the Stock Exchange, which

in turn could delay the listing of the Equity Shares on the Stock Exchange. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period. Any failure or delay in obtaining these approvals would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, may not be indicative of the prices at which the Equity Shares will trade in the future.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which our Equity Shares are sold. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

The Finance Act, 2019 has clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments came into effect from July 1, 2020.

Further, the Finance Act, 2022, which received the assent of the President of India on March 30, 2022, has, among other things, provided a number of amendments to the direct and indirect tax regime. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations could adversely affect our business. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

SECTION IV – INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board of Directors on December 14, 2022 pursuant to Section 62 and other applicable provisions of the Companies Act, 2013.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Terms of the Issue*” on page 134 of this Draft Letter of Offer.

Equity Shares outstanding prior to the Issue	94,25,000 Equity Shares
Rights Equity Shares offered in the Issue	[●]
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares
Rights Entitlement	[●] Equity Share for every [●] fully paid-up Equity Share held on the Record Date i.e., [●]
Record Date	[●]
Face Value per Equity Share	₹ 10/- each
Issue Price per Equity Share	₹ [●]/- each Share (including a premium of ₹ [●] per Rights Equity Share)
Issue Size	Upto to ₹ 4,995 Lakhs* *Assuming full subscription
Terms of the Issue	For more information, please see “ <i>Terms of the Issue</i> ” on page 134 of this Draft Letter of Offer
Use of proceeds of the Issue	For further information, please see “ <i>Objects of the Issue</i> ” on page 44 of this Draft Letter of Offer
Scrip Code	ISIN: INE841D01013 BSE: 506597

*For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements. For details in relation to Fractional Entitlements, please see “*Terms of the Issue – Fractional Entitlements*” beginning on page 154.

Terms of Payment

The full amount of ₹ [●] per Equity Share is payable on application.

GENERAL INFORMATION

Our Company was incorporated as a public limited company under the Companies Act, 1956 as “Piramal Rasayan Limited” vide a certificate of incorporation dated July 4, 1974 issued by the Registrar of Companies, Maharashtra. Subsequently, the name of our Company was changed to “Amal Rasayan Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Bombay (the “RoC”) on November 10, 1986. The name of our Company was further changed to “Amal Products Limited” and a fresh certificate of incorporation was issued by the RoC on November 23, 1995. The name of our Company was further changed to “Amal Limited” pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai on September 11, 2003.

Registered office of our Company

309, Veer Savarkar Marg, Opposite India United Mills,
Near Prabhadevi Telephone Exchange, Dadar (West),
Mumbai 400 028, Maharashtra, India
Tel: +91 22 62559700

Registration No.: 017594
CIN: L24100MH1974PLC017594

Changes in our Registered office

Year	Particulars of registered office	Reason of change in registered office
Incorporation	Initially, registered office of the Company was situated at Piramal Bhavan, Ganpatrao Kadam Marg, Lower Parel, Bombay – 400 013	Not Applicable
FY 1985-86	Registered office of the Company shifted from Piramal Bhavan, Ganpatrao Kadam Marg, Lower Parel, Bombay – 400 013 to Contractor Building, R. Kamani Marg, Ballard Estate, Mumbai – 400 038	Administrative convenience
April 1, 2007	Registered office of the Company shifted from Contractor Building, R. Kamani Marg, Ballard Estate, Mumbai – 400 038 to 309, Veer Savarkar Marg, Opposite India United Mills, Near Prabhadevi Telephone Exchange, Dadar (West), Mumbai – 400028, Maharashtra	Administrative convenience

Address of the Registrar of Companies

Our Company is registered with Registrar of Companies, Maharashtra which is situated at the following address:

Registrar of Companies, Maharashtra
100, Everest, Marine Drive, Mumbai- 400002, Maharashtra
Tel: +91 22 22812627/ 22020295/ 22846954
Fax: +91 22 22811977

Company Secretary and Compliance Officer	Lead Manager to the Issue
Mr Ankit Mankodi 309, Veer Savarkar Marg, Opposite India United Mills, Near Prabhadevi Telephone Exchange, Dadar (West), Mumbai – 400 028, Maharashtra, India Tel: +91 22 62559700 E-mail: sec@amal.co.in	Keynote Financial Services Limited The Ruby, 9 th Floor, Senapati Bapat Marg, Dadar (West), Mumbai- 400 028 Tel: +91 22 6826 6000 – 3 E-mail: mbd@keynoteindia.net Website: www.keynoteindia.net Contact Person: Mr Sunu Thomas SEBI Registration No.: INM 000003606
Legal Advisors to the Issue	Registrar and Share Transfer Agent
Alliance Law 801, 8 th Floor, Raheja Center, Free Press Journal Marg, Nariman Point, Mumbai – 400 021 Tel: +91 22 2204 0822 E-mail: info@alliancelaw.in Contact Person: Mr. Ankur Loona	Link Intime India Private Limited C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083 Tel: 8108114949 Fax: +91 22 49186060 E-mail: amal.rights@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration No.: INR000004058
Banker to the Issue	Statutory Auditors of our Company
Name: [●] Address: Tel: [●] E-mail: [●] Website: [●] Contact Person: [●] SEBI Registration No.: [●]	Deloitte Haskins & Sells LLP, Chartered Accountants One International Center, Tower 3, 27 th – 32 nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013 Tel: +91 22 6185 4000 E-mail: kvora@deloitte.com

Self Certified Syndicate Bankers (SCSB)

The list of banks that has been notified by SEBI to act as SCSBs for the ASBA process is provided on SEBI's website at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of letter of Allotment, credit of Rights Equity Shares or Refund Orders and such other matters. 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, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application was submitted by the ASBA Investors.

Registered Brokers

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the websites of the NSE at www.nseindia.com and BSE at www.bseindia.com respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at https://www1.nseindia.com/products/content/equities/ipos/asba_procedures.htm and <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges.

Monitoring Agency

Since the Issue size does not exceed ₹ 10,000 Lakhs, the appointment of a monitoring agency as per Regulation 82 of the SEBI Regulations is not required. However, the Board of Directors of our Company, would be monitoring the utilisation of the proceeds of the Issue

Credit Rating

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

Expert

Our Company has received written consent from its Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants through their letter dated January 25, 2023 to include their name as required under Section 26(1) of the Companies Act, 2013 in this Draft Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in their capacity as the Statutory Auditors and in respect of their: (i) audit report dated April 22, 2022 relating to the Audited Consolidated Financial Statements as at and for the year ended March 31, 2022 and (ii) limited review report dated October 14, 2022 related to the Unaudited Consolidated Financial Results as at and for the six months ended on September 30, 2022. Such consent has not been withdrawn as at the date of this Draft Letter of Offer. However, the term “expert” and “consent” shall not be construed to mean an “expert” or “consent” as defined under the U.S. Securities Act.

Our Company has received written consent dated January 20, 2023 from Prajapati & Associates, Chartered Accountants, to include their name in this Draft Letter of Offer, as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Statement of Possible Special Tax Benefits dated January 20, 2023 available to our Company and its Shareholders, issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as at the date of this Draft Letter of Offer.

Statement of responsibility of the Lead Manager

Keynote Financial Services Limited is the sole Lead Manager to the Issue. The details of responsibilities of the Lead Manager is as follows:

Sr. No.	Activity
1.	Capital structuring with relative components and formalities such as composition of debts and equity, type of instruments, number of instruments to be issued etc.
2.	Drafting and design of the offer document and of advertisement / publicity material including newspaper advertisements and brochure / memorandum containing salient features of the Draft

Sr. No.	Activity
	Letter of Offer, Letter of Offer, Abridged Letter of Offer, Application Forms, etc. To ensure compliance with the SEBI ICDR Regulations and other stipulated requirements and completion of prescribed formalities with Stock Exchanges and SEBI.
3.	Selection of various agencies connected with the issue, namely Registrar to the Issue, Banker to the Issue, printers, advertisement agencies etc.
4.	Coordination for queries related to retail investors.
5.	Follow-up with Banker to the Issue to get estimates of collection and advising our Company about closure of the Issue, based on the correct figures.
6.	Co-ordination with stock exchanges and formalities for use of online software, bidding terminal, mock trading, etc. Coordination with stock exchanges, depositories etc. for creation and credit of electronic Rights Entitlements
7.	Post-Issue activities will involve essential follow-up steps, which must include finalisation of basis of allotment / weeding out of multiple applications, listing of instruments and dispatch of allotment advice and refunds, with the various agencies connected with the work such as Registrars to the Issue, Banker to the Issue and bank handling refund activities. Even if many of these Post-Issue activities would be handled by other intermediaries, the Lead Manager shall be responsible for ensuring that such agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with our Company.

Underwriting

This Issue is not underwritten.

Filing

This Draft Letter of Offer has been filed with the BSE. On receipt of the in-principle approval from the BSE, the final Letter of Offer will be filed with the Stock Exchange and will be submitted to SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations.

Issue Schedule:

Issue Opening Date:	[•]
Last date for receipt of request for SAFs:	[•]
Issue Closing Date:	[•]

The Board of Directors or a duly authorised committee thereof will have the right to extend the Issue period as it may determine from time to time, provided the Issue will not be kept open in excess of 30 days from the Issue Opening Date.

CAPITAL STRUCTURE

The share capital of our Company as on date of this Draft Letter of Offer is set forth below:

(₹ in Lakhs except per share data)

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A.	Authorised share capital:		
	1,50,00,000 Equity Shares of face value of ₹ 10/- each	1,500.00	
	1,00,00,000 0% redeemable and non-convertible preference shares of ₹ 10/- each	1,000.00	
B.	Issued, subscribed and paid up capital before the issue		
	94,25,000 Equity Shares of face value of ₹ 10/- each	942.50	
	20,00,000 0% redeemable and non-convertible preference shares of ₹ 10/- each	200.00	
C.	Present Issue in terms of this Draft Letter of Offer⁽¹⁾		
	[•] Equity Shares of face value of ₹ 10/- each	[•]	[•]
D.	Issued, subscribed and paid up capital after the Issue (assuming full subscription for and allotment of the Rights Entitlement)		
	[•] Equity Shares of ₹ 10/- each fully paid-up	[•]	[•]
E.	Securities premium		
	Before the Issue		876.88
	After the Issue ⁽²⁾		[•]

Notes:

- (1) The Issue has been authorised by the Board of Directors of our Company under Section 62 and other provisions of the Companies Act, 2013 at their meeting held on December 14, 2022.
- (2) Assuming full subscription for and allotment of the Rights Entitlement.

Notes to the Capital Structure

- Details of the outstanding instruments:

As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with option to convert or securities which are convertible at a later date into Equity Shares.

- The shareholding pattern of our Company as on December 31, 2022 is as follows:

(a) Summary statement holding of specified securities

Category of Shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	No. of voting rights	Total as a % of Total Voting Right	No. of locked in shares		No. of equity shares held in dematerialised form
							No. (a)	As a % of total shares held (b)	
(A) Promoter & Promoter Group	13	63,01,581	63,01,581	66.86	63,01,581	66.86	-	-	63,01,581
(B) Public	13,363	31,23,419	31,23,419	33.14	31,23,419	33.14	-	-	19,39,460
(C1) Shares underlying DRs	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-	-	-
(C) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-
Grand Total	13,376	94,25,000	94,25,000	100.00	94,25,000	100.00	-	-	82,41,041

(b) Statement showing shareholding pattern of the Promoter and Promoter Group

Category of Shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	No. of locked in shares		No. of equity shares held in dematerialised form
					No. (a)	As a % of total shares held (b)	
A1) Indian							
Individuals/ Hindu undivided Family	4	18,206	18,206	0.19	-	-	18,206
Vimlaben S Lalbhai	1	13,250	13,250	0.14	-	-	13,250
Sunil Siddharth Lalbhai	1	3,750	3,750	0.04	-	-	3,750
Swati S	1	706	706	0.01	-	-	706

Category of Shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	No. of locked in shares		No. of equity shares held in dematerialised form
					No. (a)	As a % of total shares held (b)	
Lalbhai							
Taral S Lalbhai	1	500	500	0.01	-	-	500
Any Other (specify)	9	62,83,375	62,83,375	66.67	-	-	62,83,375
Sunil Siddharth Lalbhai (On behalf of Vimla Siddharth Family Trust)	1	20,643	20,643	0.22	-	-	20,643
Atul Finserv Limited	1	45,68,824	45,68,824	48.48	-	-	45,68,824
Aagam Holdings Private Limited	1	10,87,809	10,87,809	11.54	-	-	10,87,809
Aayojan Resources Private Ltd	1	3,93,300	3,93,300	4.17	-	-	3,93,300
Atul Limited	1	1,29,703	1,29,703	1.38	-	-	1,29,703
Adhinami Investments Private Ltd	1	36,500	36,500	0.39	-	-	36,500
Akshita Holdings Private Ltd	1	12,596	12,596	0.13	-	-	12,596
Anusandhan Investments Private Ltd	1	7,000	7,000	0.07	-	-	7,000
Aagam Agencies Pvt Ltd	1	27,000	27,000	0.29	-	-	27,000
Sub Total A1	13	63,01,581	63,01,581	66.86	-	-	63,01,581
A2) Foreign	-	-	-	-	-	-	-
A=A1+A2	13	63,01,581	63,01,581	66.86	-	-	63,01,581

(c) Statement showing shareholding pattern of the public shareholder

No. (a)	As a % of total shares held (b)	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	No. of voting rights	Total as a % of Total Voting Right	No. of locked in shares		No. of equity shares held in dematerialised form (Not applicable)
B1) Institutions									
Mutual Funds	3	1,000	1,000	0.01	1,000	0.01	-	-	-
Banks	3	1,083	1,083	0.01	1,083	0.01	-	-	863
Other Financial Institutions	2	100	100	0.00	100	0.00	-	-	
Sub Total B1	8	2,183	2,183	0.02	2,183	0.02	-	-	863
B1) Central Government / State Government (s)/ President of India	-	-	-	-	-	-	-	-	-
B2) Non-Institutions	-	-	-	-	-	-	-	-	-
B3) Key Managerial Personnel	1	680	680	0.01	680	0.01	-	-	680
Resident Individuals holding nominal share capital up to ` 2 Lacs	13,037	26,02,263	26,02,263	27.61	26,02,263	27.61	-	-	14,62,012
Resident Individual holding nominal share capital in excess of ` 2 Lacs	8	3,61,910	3,61,910	3.84	3,61,910	3.84	-	-	3,61,910
Kiran Suzane Coelho	1	1,10,000	1,10,000	1.17	1,10,000	1.17	-	-	1,10,000
Non-Resident	57	12,226	12,226	0.13	12,226	0.13	-	-	11,093

No. (a)	As a % of total shares held (b)	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	No. of voting rights	Total as a % of Total Voting Right	No. of locked in shares		No. of equity shares held in dematerialised form (Not applicable)
Indian Bodies Corporate	69	67,575	67,575	0.72	67,575	0.72	-	-	26,832
Any Other (specify)	183	76,582	76,582	0.81	76,582	0.81	-	-	76,070
Sub Total B4	13,355	31,21,236	31,21,236	33.12	31,21,236	33.12	-	-	19,38,597
B=B1+B2+B3+B4	13,363	31,23,419	31,23,419	33.14	31,23,419	33.14	-	-	19,39,460

- None of the Equity Shares held by our Promoter and Promoter Group have been locked-in or pledged or has any encumbrance on such Equity Shares.
- Details of the shareholders holding more than one percent (1%) of the share capital of our Company as on December 31, 2022, is as follows:

Sr. No.	Name of Shareholder	No. of equity shares held	% of total no. of shares
1.	Atul Finserv Limited	45,68,824	48.48
2.	Aagam Holdings Private Limited	10,87,809	11.54
3.	Aayojan resources Private Ltd	3,93,300	4.17
4.	Atul Limited	1,29,703	1.38
5.	Kiran Suzanne Coelho	1,10,000	1.17

- None of our Promoter and Promoter Group have acquired any Equity Shares in the last one year immediately preceding the date of filing of this Draft Letter of Offer with BSE except for:

Name of Promoter/Promoter Group	Date of acquisition	No. of equity shares acquired	Price per Equity Share (in ₹)	Name of the Transaction
Mr. Sunil Siddharth Lalbhai (On behalf of Vimla Siddharth Family Trust)	February 24, 2022	2,509	381.37	Purchase of shares from open market
	March 7, 2022	545	377.54	

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

Our Promoter and entities forming part of our Promoter Group have, *vide* their letters dated January 20, 2023 (the "**Subscription Letters**") indicated their intention to subscribe/ to the full extent of their Rights Entitlement and not to renounce any portion of their rights entitlement. Further, they reserve the right to apply for, and

subscribe to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

7. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●].
8. All the Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares on the date of this Draft Letter of Offer. Further, the Rights Equity Shares when issued shall be fully paid-up.
9. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in the rights issue, except for fees or commission for services rendered in relation to the Issue.

SECTION-V - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilise the proceeds of this Issue towards the following objects:

1. Investment in our Wholly Owned Subsidiary, viz. Amal Speciality Chemicals Limited (ASCL) for repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Wholly Owned Subsidiary;
2. General Corporate Purposes.

Our Memorandum of Association enables us to pursue our existing activities, and the activities for which funds are being raised by our Company in the Issue.

Details of objects of the Issue

The details of the Issue Proceeds are set forth in the following table:

(₹ in Lakhs)	
Particulars	Amount
Gross Proceeds from the Issue*	Upto 4,995
Less: Estimated Issue related expenses	[●]
Net Proceeds from the Issue	[●]

**Assuming full subscription and Allotment of the Rights Equity Shares*

Requirement of funds & utilisation of Net Proceeds:

The proposed utilisation of Net Proceeds by our Company is set forth in the following table:

(₹ in Lakhs)		
Sr. No.	Particulars	Estimated Amount
1.	Investment in our Wholly Owned Subsidiary, viz. Amal Speciality Chemicals Limited (ASCL) for repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Wholly Owned Subsidiary.	3,700
2.	General Corporate Purpose*	[●]
	Net Proceeds from the Issue	[●]

**Subject to the finalisation of the Basis of Allotment and the Allotment of the Rights Equity Shares. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Proposed schedule of implementation and deployment of funds

Our Company proposes to deploy the entire net proceeds towards the Objects as described herein during Fiscal 2023.

The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution, or any other external agency. They are based on present circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, or interest rate fluctuations, changes in government policies etc. The fund requirements set out in the Objects of the Issue are proposed to be met entirely from the Proceeds of the Rights Issue and internal accruals.

Means of finance

(₹ in Lakhs)

Means of Finance	Amount
Gross Proceeds of the Issue	Upto 4,995*

* Assuming full subscription

The fund requirements of the Objects detailed above are intended to be funded from the proceeds of the Rights Issue. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 62(1)(c) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Details of the objects of the Issue

1. Investment in our Wholly owned Subsidiary, viz. Amal Speciality Chemicals Limited (ASCL) for repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Wholly owned Subsidiary

Our Company proposes to utilise and invest from the Net Proceeds ₹ 3,700 Lakhs in ASCL, to enable it to repay/prepay in full or part, certain borrowings availed by it. The form of infusion of such amount allocated for this object will be, by way of an equity, debt or any other instrument or any combination thereof or through any other manner, which shall be decided by the Board in compliance with applicable law after considering certain commercial and financial factors. As at September 30, 2022, the total outstanding borrowings (including fund based and non-fund based borrowings) of ASCL amounted to ₹ 5,745 Lakhs from Bank.

ASCL has entered into various financial arrangements from time to time, with banks and other entities. However, the aggregate amount to be utilised from the Net Proceeds towards part or full, repayment and/or pre-payment of all or certain of borrowings (including refinanced or additional facilities availed, if any) in ASCL and the interest accrued thereon would not exceed ₹ 3,700 Lakhs.

Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties shall be paid by ASCL out of its internal accruals. We will take such provisions also into consideration while deciding repayment and/ or pre-payment of loans from the Net Proceeds.

The selection of borrowings proposed to be prepaid or repaid amongst the borrowing arrangements availed shall 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 prepay/ repay the borrowings and time taken to fulfil, or obtain waivers/ consents for fulfilment of such conditions; (iii) terms and conditions of such consents and waivers; (iv) provisions of any laws, rules and regulations governing such borrowings; and (v) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

The following table provides the details of outstanding borrowings availed of by ASCL, which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

Name of the lender	Date of Sanction	Tenure	Purpose of availing secured loans	Amount sanctioned (₹ in Lacs)	Amount outstanding as on September 30, 2022	Interest Rate p.a.	Prepayment Penalty	Proposed repayment from Net Proceeds (₹ in Lakhs)
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Axis Bank	March 03, 2021	84 Months/7 years including construction period and moratorium period of 24 months/2 years	Setting up a plant for manufacturing of Sulphuric acid - 300TPD	5000	5000	7.90% (6MCL R + 0.55%)	No Prepayment penalty in case of prior written intimation of not less than 30 business days	[●]
Axis Bank	August 16, 2021	84 Months/7 years including construction period and moratorium period of 24 months/2 years	Setting up a plant for manufacturing of Sulphuric acid - 300TPD	700	650	7.90% (6MCL R + 0.55%)	No Prepayment penalty in case of prior written intimation of not less than 30 business days	[●]
Axis Bank	May 25, 2022	On demand	Working capital	1000	95	3MCL R + 0.20%	Nil	[●]
Total				6700	5745			3700

2. General corporate purposes

In terms of Regulation 62 (2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes shall not be exceeding 25% of the Gross proceeds of the Issue. Our Board will have flexibility in applying the balance amount towards general corporate purposes, including meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

Our management will have flexibility in utilising the amount which is allocated for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilisation of funds towards any of the purposes will be determined by the Board or its committee, based on the amount actually available under this head and the business requirements of our Company, from time to time.

3. Expenses to the issue

The Issue related expenses consist of fees payable to the Lead Manager, Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately ₹ [●] Lakhs towards these expenses, a break-up of the same is as follows:

Activity	Amount* ^ (₹ In Lakhs)	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)#
Fees of the Lead Manager, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[•]	[•]	[•]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[•]	[•]	[•]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[•]	[•]	[•]
Total estimated issue expenses**^	[•]	100.00	[•]

*Amount will be finalized at the time of filing of the Letter of Offer and determination of Issue Price and other details.

** Subject to finalization of the Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Equity Shares.

^Excluding taxes

#Assuming full subscription

Strategic and/ or Financial Partners

There are no Strategic or Financial partners to the objects of the issue.

Appraising entity

None of the Objects of the Issue have been appraised by any bank or financial institution.

Government Approval

There are no material pending government or regulatory approvals pertaining to the objects of the Issue.

Bridge Financing Facilities

We have not availed any bridge financing facilities for the meeting the expenses as stated under the Objects of the Issue.

Interim Use of Funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilisation of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

Key Industrial Regulations for the Objects of the Issue

No additional provisions of any acts, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Monitoring of Utilisation of Funds

In terms of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purpose of this issue. Rights issue committee will monitor the utilisation of the Issue Proceeds. The Company will disclose the utilisation of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilised. The Company will indicate investments, if any, of unutilised Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Other Confirmations

Our promoters, promoter group, directors and key managerial personnel have no interest in any of the objects as stated above and other related matters thereof.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors

Amal Limited

309, Veer Savarkar Marg,

Opp. India United Mills,

Nr. Prabhadevi Telephone Exchange,

Dadar (West), Mumbai 400028

Dear Sirs/ Madam,

Statement of Possible Special Tax Benefits available to Amal Limited and its shareholders under the Indian tax laws in connection with the proposed rights issue of equity shares of the company under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 2018, as amended (“Regulation”)

1. We hereby confirm that the enclosed Annexure ‘A’, prepared by Amal Limited (‘the Company’), provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (‘the IT Act’) (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act 2022, i.e. applicable for the Financial Year 2022-23 relevant to the assessment year 2023-24 and The Central Goods and Services Act, 2017, The State Goods and Services Act 2017, The Integrated Goods and Services Tax Act 2017 and The Union Territory Goods and Service Tax Act 2017, as amended (collectively referred to as ‘GST Regime’) the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) (collectively the “Taxation Laws”) presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the IT Act and GST Regime. Hence, the ability of the Company and / or its shareholders to derive the possible special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. We do not express any opinion or provide any assurance as to whether:
 - i) the Company or its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - iii) the revenue authorities/courts will concur with the views expressed herein.
4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

For, **PRAJAPATI & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number: 118254W

Sd/-
Partner
Membership No.: 043540
Place: Mumbai
Date: 20/01/2023

ANNEXURE ‘A’ TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 (“the IT Act”) (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act 2022, i.e. applicable for the Financial Year 2022-23 relevant to the assessment year 2023-24 and The Central Goods and Services Act, 2017, The State Goods and Services Act 2017, The Integrated Goods and Services Tax Act 2017 and The Union Territory Goods and Service Tax Act 2017, as amended (collectively referred to as “GST Regime”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) (collectively the “Taxation Laws”) presently in force in India.

I. Special tax benefits available to the Company

There are no special tax benefits available to the Company.

II. Special tax benefits available to Shareholders

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

Notes:

1. This statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
2. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
3. The above statement covers only above mentioned tax laws benefits and does not cover benefits under any other law.

For **Amal Limited**

Sd/-
(Yogesh Vyas)
Chief Financial Officer

SECTION VI - ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section has been obtained or extracted from internal market research team of the company. The data presented in this section may have been re-classified by us for the purpose of presentation. The Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. The information in this section must be read in conjunction with the sections titled “Risk Factors” and “Our Business” beginning on pages 17 and 57, respectively of this Draft Letter of Offer.

Global Industry Outlook

Global Sulphuric acid market size is growing at a CAGR of around 8.50% from 2022 and is expected to be around USD 30 billion by 2030 from USD 14 billion in 2021.

On the basis of Geography, the Global Sulphuric Acid Market is classified into North America, Europe, Asia Pacific, and the Rest of the world. The Asia-Pacific region leads the Global Sulphuric Acid Market, in terms of both, value and volume. China is the largest market for Sulphuric acid in the Asia-Pacific region

The growing chemical industry, easy availability of raw materials, and increasing developmental strategies such as setting up production facilities to meet the growing demand for Sulphuric acid are the key growth drivers for the Sulphuric Acid Market in this region.

Indian Chemical Industry Outlook

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. In 2019, the Indian chemicals market stood at US\$ 178 billion and is forecasted to reach US\$ 304 billion by 2025.

(Source: - <https://www.ibef.org/industry/chemical-industry-india>)

The chemical industry is a knowledge intensive as well as capital intensive industry. It is an integral constituent of the growing Indian industry. It includes basic chemicals and its products, petrochemicals, fertilizers, paints, varnishes, gases, soaps, perfumes, toiletry, and pharmaceuticals. The diversification within the chemical industry is larger and covers more than eighty thousand commercial products.

Sulphuric acid is a colourless, highly corrosive diprotic acid finding various applications in the chemical industry due to its extraordinary oxidizing and dehydrating properties. The surge in the consumption of Sulphuric acid in India is augmented by the overall growth of the Indian chemical industry wherein it is widely utilised for synthesizing myriad derivatives. Sulphuric acid is primarily being used as a feedstock for the synthesis of nitrogenous and phosphatic fertilizers against the backdrop of its abundant demand from the fertilizer industry.

STRONG GROWTH IN SPECIALTY CHEMICALS

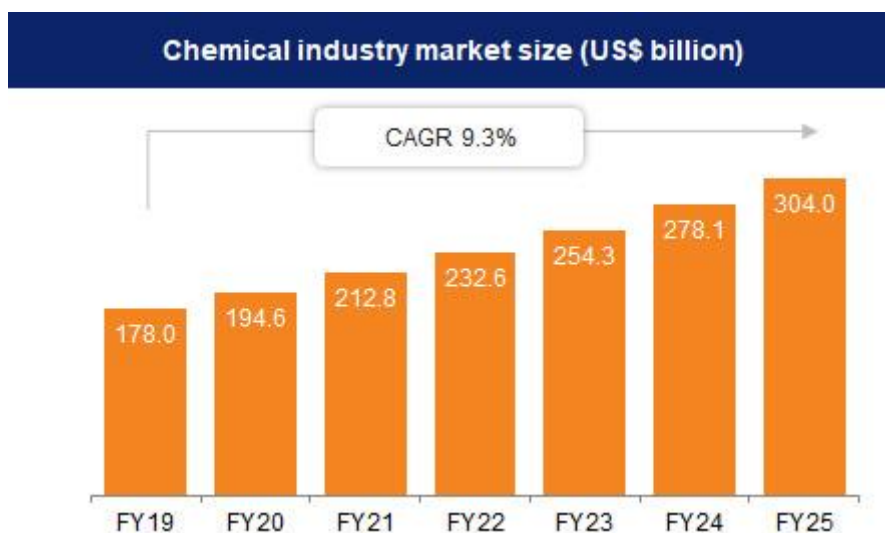
The Indian specialty chemicals sector is expected to increase at a CAGR of 12.4%, from US\$ 32 billion in 2019 to an estimated US\$ 64 billion by 2025. Also, ICRA's ratings indicate improved exports and a positive outlook for agrochemicals and surfactants.

Chemicals market in India

India is the preferred destination for chemical manufacturing. It is mainly due to the various initiatives taken by

the Government of India such as 'Make In India' initiative, Atmanirbhar Bharat, various other incentives schemes and competitive tax rates. The macro perspective on India supports the country's long term growth story, however short term outlook is challenging.

Chemicals industry in India covers >80,000 commercial products. India has one of the largest global chemical markets and is ranked sixth in the world and fourth in Asia in terms of global sale of chemicals. India accounts for 2.5% of the world's global chemical sales. The industry is expected to reach US\$ 304 billion by 2025 at a CAGR of 9.3%, driven by rising demand in the end-user segments for specialty chemicals and petrochemicals segment. Specialty chemicals constitute for 22% of the total chemicals and petrochemicals market in India. India is expected to double its specialty chemicals market share in the next five years. Specialty chemical companies are seeking at import substitutions while exploring export opportunities to accelerate their business.



(Source: - <https://www.ibef.org/industry/chemical-industry-india>)

The Indian dyes and pigments market was projected to reach US\$ 63 billion by 2022, accounting for about 16% of the global dye production. The petrochemical demand is expected to record a 7.5% CAGR between 2019 and 2023, with the demand for polymers growing at 8%. India is the third largest polymer consumer in the world and is expected to consume 60 million tonnes by 2040. Chemicals and Chemical Products gross bank credit grew at 15.6% in May 2022.

The agrochemicals market in India is expected to register 8.6% CAGR to reach US\$ 7.4 billion between 2021 and 2026. India's market expected to increase at a CAGR of 12.4% 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.

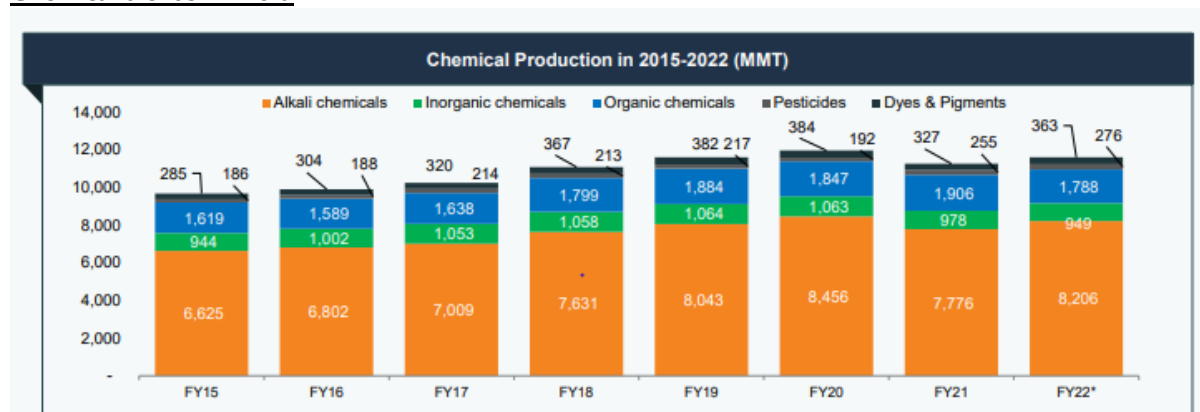
The contribution of the chemical industry in country's GDP is around 6%. India's Sulphuric Acid market is growing at a healthy CAGR of 6% and is forecasted to reach at 24.4 million tonnes in FY 2030 against 14.2 million tonnes in FY 2021.

The fertilizers segment is estimated to lead the Sulphuric Acid Market during the forecast period. The population across the world is increasing, which leads to a rise in demand for a better-quality food crops. With the decrease in hectares of arable land due to rapid industrialisation and urbanisation, fertilizers are used by farmers to increase the crop yield. Therefore, increasing the use of Sulphuric acid in fertilizer manufacturing is expected to drive the fertilizers segment of the Sulphuric Acid Market during the forecast period. Sulphuric acid is mainly used in the production of phosphoric acid, which is used to manufacture fertilizers such as triple superphosphate and mono and diammonium phosphates. Fertilizers, especially phosphate fertilizers produced from wet-process phosphoric acid, are a major end-use industry of the Sulphuric acid market. Based on the application, the fertilizer segment

consumes around 60% of the Sulphuric acid manufactured in India.

It is also widely consumed in synthesis of speciality chemicals like nitric acid, hydrofluoric acid, dyes, pigments, and titanium dioxide and others. Sulphuric acid is used to manufacture rayon. Sulphuric acid serves as an electrolyte in lead-acid storage batteries. Sulphuric acid is used in the pulp and paper industry, often for use in chlorine dioxide generation. Sulphuric acid is used in many other chemical processes and various wastewater and pH control applications.

Chemical trends in India



Government Initiatives in the Chemical Industry:

- Under the Union Budget 2022-23 the government allocated ₹ 209 crores (US\$ 27.43 million) to the Department of Chemicals and Petrochemicals.
- PLI schemes have been introduced to promote Bulk Drug Parks, with a budget of ₹ 1,629 crores (US\$ 213.81 million).
- The Government of India is considering launching a production linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.
- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- In October 2020, the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while Crop Life India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector.
- 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. FDI inflows in the chemicals sector (other than fertilisers) reached US\$ 20.41 billion between April 2000-June 2022.
- The government has proposed several incentives for setting up a sourcing or manufacturing platform within an Indian SEZ:

- Effective April 1, 2020, 100% Income Tax exemption on export income for SEZ units for the first five years, 50% for the next five years thereafter and 50% of the ploughed back export profit for next five years.
- Single window clearance for central and state-level approvals.
- Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
- In December 2020, the PCPIR policy is being completely redesigned. Under the new PCPIR Policy 2020-35, a combined investment of ₹ 10 Lakh Crore (US\$ 142 billion) is targeted by 2025, ₹ 15 Lakh Crore (US\$ 213 billion) by 2030 and ₹ 20 Lakh Crore (US\$ 284 billion) by 2035 in all PCPIRs across the country. The four PCPIRs are expected to generate employment for ~33.83 Lakh people. ~3.50 Lakh persons have been employed in direct and indirect activities related to PCPIRs by the end of 2020.

(Source: IBEF Indian Chemical Industry analysis Report Nov 2022)

Evolution of the Indian Chemical Sector:

The emergence of the chemical industry as an independent branch is associated with the industrial revolution. The first Sulphuric acid plants were built in Great Britain in 1740 (Richmond), France in 1766 (Rouen), Russia in 1805 (Moscow Province), and Germany in 1810 (near Leipzig).

The Indian fertilizer industry started with the production of Single Superphosphate (SSP), a well-known Sulphur fertilizer, in 1906 at Ranipet, near Chennai.

(Source: www.sulphurinstitute.org/about-sulphur/india)

Double Conversion - Double Absorption (DCDA) process technology is presently the widely used for production of Sulphuric acid. Single Conversion – Single Absorption (SCSA) process is another popular production method for manufacturing Sulphuric acid.

Sulphuric Acid Market, By Raw Material Type

- Elemental Sulphur
- Base Metal Smelters
- Pyrite Ore
- Others

Based on raw material type, the market is bifurcated into Elemental Sulphur, Base Metal Smelters, Pyrite Ore, and Others. Due to the high supply of elemental Sulphur on the market in 2015, the segment based on raw materials led the Sulphuric acid market. In comparison to base metal smelting and roasting pyrite ore, which require businesses / factories to undertake stringent methods to clean the generated SO₂ gases before releasing them into the atmosphere, the generation of Sulphuric acid via Sulphur is less polluting. Owing to extensive demand in the country, more than 90% Sulphur produced in the domestic market is directed to manufacture Sulphuric acid on the back of high yield and affordability,

Growth Factors

- The rapid acceptance of Sulphuric acid for fertilizers with improving the yield of the crops with enhanced the quality and quantity of the produced crops.

- Increased urbanisation with increased research and development with Sulphuric acid and growing industrialisation drive the growth of the market.
- Increased demands for the crops with improved quality with increased nutrients in the vegetable and fulfilling the demands of the consumers, increasing the product in agricultures using fertilizers.
- The rapid acceptance of electric vehicles across the regions and the development of the automobile industry with increased demands from customers expanded the Sulphuric acid market growth.
- The electronic grade of Sulphuric acid is used in semiconductor and PCB cleaning and etching, The use of Sulphuric acid in semiconductors is substantially increasing. Currently, the ongoing trend of the autonomous vehicle to change the engine from conventional to electric has increased the demand of semiconductor in a rapid pace, which has drastically increased the demand of cleaning chemicals for semiconductor. This factor leads to an increase in the demand for Sulphuric acid globally.

Challenges specific to Sulphuric Industry:

- Increased Cost – Volatility in the Sulphur price leads to increase in cost. There is also no direct relation between Sulphur price and Sulphuric Acid price leading to reduction in margins.
- Availability of other chemicals for processing the product and producing of the products in chemical industry or other industries with adapting new chemicals can challenge the market growth of Sulphuric acid.
- Generation of sulphuric as by-product in copper smelter process, sold at very low prices, affects Sulphuric produces competitiveness, producing through Sulphur route.

Opportunities specific to Sulphuric Industry:

- The rapid acceptance of sulfuric acid for fertilizers with improving the yield of the crops with enhanced the quality and quantity of the produced crops.
- Geographical shift from developed countries to India.
- Government initiatives in the chemical industry will contribute to increase in the demand in long run.
- Utilisation of Sulphuric acid in treatment of waste water - Sulphuric acid plays a major role in waste water treatment. It is the process developed with increased concern of environmental issues. Sulphuric acid chemical balances the pH level and normalise the chemical by adjusting with the Sulphuric acid and producing neutral chemical. Wastewater treatment such as prevention of odour of water, helps to destroy the bacteria in water which may cause several disorders. Separation of the water and waste solid material which is sludge using Sulphuric acid.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements involve risks, assumptions, estimates and uncertainties. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. This section should be read in conjunction with the sections “Forward Looking Statements”, “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” on pages 12, 17, 118, and 71 respectively of this Draft Letter of Offer. Unless otherwise stated or unless the context requires otherwise, the financial information used in this section is derived from our Consolidated Audited Financial Statements for the Fiscals 2022 or 2021 and Consolidated Unaudited Financial Results for the six-months ended September 30, 2022 subjected to Limited Review by the Statutory Auditors of the Company. Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications, other sources.

Overview

Our Company was incorporated in the year 1974 promoted by Piramal group. We had taken leasehold land on long-term basis from GIDC at Ankleshwar, Gujarat in the year 1979 to establish our manufacturing facility. The controlling interest of our Company was sold to Atul Limited in FY 1985-86. Further, we have incorporated a wholly-owned subsidiary Amal Speciality Chemicals Limited on October 12, 2020.

We work under the guidance of Mr. Sunil Lalbhai, Chairman and Mr. Rajeev Kumar, Managing Director who possess extensive experience in the chemical industry. They are instrumental in evolving our business operations and growth. Subject to the overall supervision and control of our Board of Directors, our business operations are managed by a team of experienced senior management personnel.

We currently manufacture bulk chemicals such as Sulphuric acid and oleum along with their downstream products such as Sulphur dioxide and Sulphur trioxide. These products are commonly known as Sulphuric acid equivalent products. Steam is generated in large quantities during the manufacturing processes of these chemicals which is further used for captive consumption and surplus is sold to third parties. These chemicals find their use in several industries like dyes, fertilizers, personal care, petrochemical, pharmaceutical, textile, etc. These chemicals are generally sold to our customers who are in close proximity to our manufacturing facility. Our business operations and products cater to the business-to-business segment. We are registered as a small enterprise under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

In the past, our Company had been declared as sick company by the Board of Industrial Reconstruction (“BIFR”), New Delhi vide its order (Ref. No. 151/2005) dated July 31, 2006 pursuant to a reference made under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (“SICA”). Subsequently, Draft Rehabilitation Scheme (“DRS”) submitted by our Company was sanctioned by BIFR vide its order dated July 16, 2009 as SS-09. The said scheme was subsequently modified by BIFR vide its order dated June 18, 2010 as MS-10 and again in the year 2013 vide BIFR’s Order dated July 17, 2013 as MS-13. The net worth of our Company turned positive in Fiscal 2019.

Our revenues from operations for the six months ended September 30, 2022, Fiscals 2022 and 2021 were ₹ 2,580.26 Lakhs, ₹ 4,348.01 Lakhs and ₹ 3,042.04 Lakhs respectively. Our EBITDA for the six months ended September 30, 2022, Fiscals 2022 and 2021 were ₹ (458.15) Lakhs, ₹ 426.87 Lakhs and ₹ 1,250.06 Lakhs respectively. Our profit/ (loss) after tax for the six months ended September 30, 2022, Fiscals 2022 and 2021 were ₹ (778.32) Lakhs, ₹ 110.94 Lakhs and ₹ 879.75 Lakhs respectively. For further details, please refer to the section titled “Financial Information” on page 71 of this Draft Letter of Offer.

We contributed ₹ 26.25 Lakhs towards corporate social responsibility in the Fiscal 2022 which was used for improving infrastructure of five schools and providing relief to COVID-19 patients in four hospitals. The initiatives were implemented by Atul Foundation.

Products

We are engaged in the manufacturing of bulk chemicals such as Sulphuric Acid and Oleum and their downstream products such as Sulphur di-oxide and Sulphur trioxide. Steam is also produced in our manufacturing process which is used for captive consumption and revenue generation by direct sale to third parties.

Sulphuric Acid

Sulphuric Acid is a colorless, highly corrosive diprotic acid composed of the elements Sulphur, oxygen and hydrogen, with the molecular formula H_2SO_4 . Sulphuric Acid finds various applications in the chemical industry due to its extraordinary oxidizing and dehydrating properties. It is primarily being used as a feedstock for the synthesis of nitrogenous and phosphatic fertilizers against the backdrop of its abundant demand from the fertilizer industry.

The main use of Sulphuric acid is in the production of phosphate fertilizers. It is used to manufacture explosives, other acids, dyes, glue, wood preservatives, and automobile batteries. It is used in the purification of petroleum, the pickling of metal, copper smelting, electroplating, metal work, and the production of rayon and film.

Sulphur Dioxide and Sulphur Trioxide

The oxides of Sulphur are inorganic compounds made up entirely of Sulphur and oxygen atoms. Sulphur Dioxide and trioxide are downstream products which are formed during the production process of Sulphuric Acid and Oleum upon oxidization of Sulphur.

Sulphur Dioxide

Sulphur dioxide is a colourless, acidic and poisonous gas with a pungent and suffocating smell. It is acidic in nature and can be easily liquefied. It also decomposes carbonates and bicarbonates evolving carbon dioxide gas. Sulphur dioxide is used in manufacturing of anti-oxidants and is used as bleaching agent and food preservatives.

Sulphur Trioxide

Sulphur trioxide is often formed when Sulphur dioxide is oxidised. This chemical compound can occur in different forms more widely in a white crystalline solid. When it is in liquid form it is colourless. It is a highly reactive substance and tends to react violently with water. It acts as a strong oxidising agent. Sulphur trioxide is used in manufacturing of anti-oxidants and used as a sulphating agent in the chemical industry.

Oleum

Oleum, or fuming Sulphuric acid, is a term referring to solutions of various compositions of sulfur trioxide in Sulphuric acid, or sometimes more specifically to disulphuric acid (also known as pyrosulphuric acid). Oleum is a harsh reagent, and is highly corrosive.

Oleum is produced in the contact process, where sulphur is oxidized to sulphur trioxide which is subsequently dissolved in concentrated Sulphuric acid. Sulphuric acid itself is regenerated by dilution of part of the oleum.

Revenue Break-up

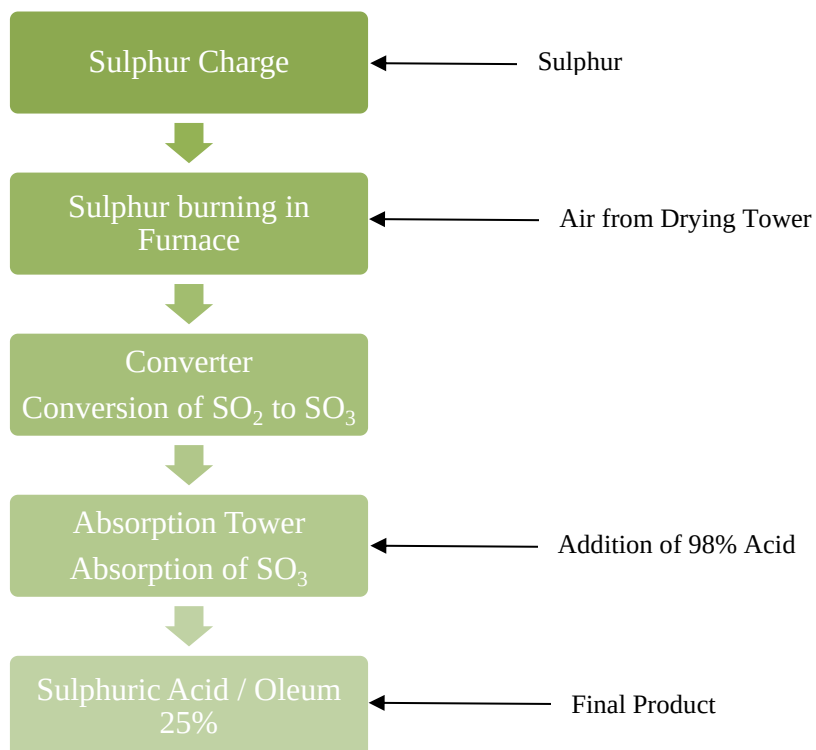
Our standalone revenue break-up for the six months ending September 30, 2022 and financial years ending March 31, 2022 and 2021 is as follows:

(₹ in Lakhs)			
Particulars	Six Months ended September 30, 2022	Fiscal 2022	Fiscal 2021
Sulphuric Acid	572.55	1307.13	852.58
Sulphur Dioxide	488.24	840.02	560.43

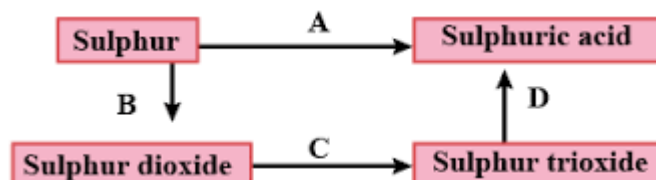
Sulphur Trioxide	717.09	1597.10	1175.77
Oleum	228.71	239.23	129.52
Steam	195.71	341.03	314.89
Others	41.40	23.49	8.86
Total	2,243.70	4,348.01	3,042.04

Manufacturing Process

Sulphuric Acid



Sulphur is melted in Sulphur pit. Molten Sulphur is burnt in Sulphur furnace in the presence of air. Sulphur dioxide (SO₂) gas goes to the converter where it is converted in Sulphur trioxide (SO₃) in presence of vanadium catalyst. SO₃ is then absorbed in absorption tower where 98% Sulphuric acid is circulated. This gives Sulphuric Acid or Oleum 25%.



Strengths

Dedicated Manufacturing Facility

We are a dedicated manufacturer of Sulphuric acid and oleum. We have a legacy of more than four decades in the specialty chemicals industry where we have produced Sulphuric acid and oleum and the downstream products

like Sulphur dioxide and Sulphur trioxide. These products find their use in several industries like dyes, fertilizers, personal care, petrochemical, pharmaceutical, textile, etc. Being a dedicated facility allows us to keep our focus on the quality of our products.



Experienced Leadership and Management Team

We work under the guidance of Mr. Sunil Lalbhai, Chairman and Mr. Rajeev Kumar, Managing Director who possess extensive experience in the chemical industry. Our Company is professionally managed by strong management team having diverse experience with continuing long-term association with the Company. Their industry experience has enabled us to manage our operations efficiently and enhance our manufacturing capabilities. For various strategic initiatives, the Company is advised by Board members. We will continue to leverage on the experience of our management team and their understanding of the chemicals industry.

Strategically located manufacturing facility with proximity to our primary customers

We operate from our manufacturing facility located at Ankleshwar, Gujarat. Our facility is located in close proximity to our primary customer, Atul Limited. Ankleshwar, Panoli and Dahej GIDC are one of the largest chemicals belts in Gujarat, which gives us a competitive edge in terms of supplying to customers locally thereby saving on transportation cost.

Strategies

Cost optimization and improving operational efficiency

We intend to optimise the product mix and are evaluating a few downstream products of Sulphuric acid to be added to our product portfolio. We believe that this will allow us to benefit from economies of scale and improve operational efficiency and profit margins.

Reducing the manufacturing cost

Power cost is one of the major contributors to the cost of manufacturing. We intend to optimize the utility cost by exploring energy conservation measures which in turn will help us to reduce the manufacturing costs.

Expansion through our wholly owned subsidiary

We have incorporated our wholly owned subsidiary (“WOS”) Amal Speciality Chemicals Limited wherein we have commissioned a manufacturing facility with an installed capacity of 300 TPD of Sulphuric acid equivalent products. This facility will be zero liquid discharge facility. We strive to increase our revenues through this WOS.

Plant & Machinery

Our manufacturing facility is equipped with various machinery and equipment for the purpose of effectively carrying out our manufacturing processes.

Our Major Customers

Our major customer, Atul Limited has contributed 72.24% and 77.93% of the total revenue from operations for the Fiscals 2022 and 2021.

Utilities

Our manufacturing facility receives power supply from Dakshin Gujarat Vij Company Ltd. (DGVCL). The water requirement is met by supply from Gujarat Industrial Development Corporation and third-party water suppliers on need basis.

Capacity Installed and Capacity Utilisation

The table below set forth information regarding the installed and utilised capacity at our manufacturing facility for the periods indicated below:

Particulars	Units	Financial Years		
		2019-20	2020-21	2021-22
Installed Capacity	Metric Tonne Per day	130	130	140
Capacity Utilisation	Metric Tonne Per day	110	114	135
Capacity Utilisation	%	85%	88%	96%

Note: As certified by the management of the Company vide their certificate dated January 19, 2023

Technical Collaborations

We do not have any technical collaborations as on the date of this Draft Letter of Offer.

Marketing

Our business operations and products cater to the business-to-business segment. Our Holding Company, Atul Limited is our primary customer. We maintain direct contact with our customers.

Insurance

We have purchased insurance in order to manage the risk of losses from potentially harmful events, including insurance policy covering fire, damage to buildings, plant and machinery, stocks (raw materials and finished goods), manpower, loss of profit and public liability insurance policy. These insurance policies are renewed periodically to ensure that the coverage is adequate.

Intellectual Property

We have obtained one trademark for our logo  which is registered in India, under Class 1 of the Trade Marks

Act, 1999. The trademark is registered in the name of our Company. We have also registered domain for our website www.amal.co.in

Properties

Our Registered office located at 309, Veer Savarkar Marg, Opposite India United Mills, Near Prabhadevi Telephone Exchange, Dadar (West), Mumbai – 400 028, Maharashtra, India is owned by Atul Limited, i.e., our Holding Company and we are permitted to use this premise as our Registered office. Our manufacturing facility situated at Plot No. 136/137, G.I.D.C. Estate, Ankleshwar, Bharuch, Gujarat is situated on parcel of land held by us on long-term lease basis from GIDC.

OUR MANAGEMENT

Board of Directors

The Articles of Association of our Company provides that our Company shall have not less than three and not more than twelve Directors on our Board, unless otherwise determined by our Company in a general meeting.

As on the date of this Draft Letter of Offer, our Company has seven (7) Directors out of which one (1) is Chairman & Non-Executive Director, one (1) is Managing Director, one (1) is a Non-Executive Director and Four (4) are Non-Executive Independent Directors.

The following table sets forth details regarding the Board of Directors as on the date of this Draft Letter of Offer.

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ proprietorship
1.	Mr. Sunil Lalbhai Designation: Chairman & Non-Executive Non-Independent Director Date of Birth: March 15, 1960 Date of first Appointment: January 21, 2010 Address: Lalbhai Cottage 13, Byramji Gamadia Road, Mumbai – 400026, Maharashtra, India. Occupation: Business / Industrialist Nationality: Indian DIN: 00045590	62	Other Directorships 1. The Bombay Dyeing and Manufacturing Company Limited 2. Navin Fluorine International Limited 3. Pfizer Limited 4. Atul Limited 5. Atul Rajasthan Date Palms Limited 6. Atul Bioscience Limited 7. BAIF Institute for Sustainable Livelihoods and Development 8. Wyeth Limited[#] Trusteeship 1. BAIF Development Research Foundation Others 1. Gujarat Rural Institute for Socio-Economic Reconstruction, Vadodara 2. Dharampur Utthan Vahini
2.	Mr. Rajeev Kumar Designation: Managing Director Date of Birth: July 01, 1972 Date of first Appointment: March 03, 2017 Address: C-502, Fiesta, Vasant Oscar, LBS Road, Mulund West, Mumbai – 400080, Maharashtra, India Occupation: Professional	50	Other Directorships 1. Amal Speciality Chemicals Limited 2. Atul Products Limited

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ proprietorship
	Nationality: Indian Date of expiration of the current term of office: March 23, 2027 DIN: 07731459		
3.	Mr. Gopi Kannan Thirukonda Designation: Non-Executive Non-Independent Director Date of Birth: March 30, 1959 Date of first Appointment: January 21, 2010 Address: 2nd Floor, C Wing 201, Raheja Ridgewood W E Highway, Near NESCO, Goregaon(E), Mumbai – 400063, Maharashtra, India. Occupation: Professional Nationality: India DIN: 00048645	63	Other Directorships 1. Atul Limited 2. Atul Rajasthan Date Palms Limited 3. Atul Polymers Products Limited 4. Rudolf Atul Chemicals Limited 5. Atul Bioscience Limited 6. Atul Finserv Limited 7. Atul Fin Resources Limited 8. Atul Nivesh Limited 9. Atul Deutschland GmbH 10. Atul China Limited 11. Atro Limited* Other Partnerships 1. Anaven LLP
4.	Mr. Sujal Shah Designation: Non-Executive Independent Director Date of Birth: September 23, 1968 Date of first Appointment: September 24, 2010 Address: 701, 7th Floor, Mayfair, Kumkum, Next to Bank of India, S. V. Road, Andheri West, Mumbai – 400058, Maharashtra, India Occupation: Professional Nationality: Indian Date of expiration of the current term of office: For a term of 5 year from April 01, 2019 i.e. till March 31, 2024	54	Other Directorships 1. Hindoostan Mills Limited 2. Rudolf Atul Chemicals Limited 3. SSPA Consultants Private Limited 4. Bhishma Realty Limited 5. Capricorn Realty Limited 6. Amrit Corp Limited 7. Mafatlal Industries Limited 8. Ironwood Education Limited 9. Deepak Fertilizers & Petrochemicals Corporation Limited 10. Navin Fluorine International Limited 11. Navin Fluorine Advances Sciences Limited 12. JM Financial Institutional Securities Limited[#] 13. The Hindoostan Spinning and Weaving Mills Limited[#] 14. Hindoostan Technical Fabrics Limited[#] Partnership

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ proprietorship
	DIN: 00058019		1. SSPA & Co., Chartered Accountants (Partnership Firm) 2. SSPA & Associates., Chartered Accountants (Partnership Firm)
5.	Mr. Abhay Jadeja Designation: Non-Executive Independent Director Date of Birth: December 26, 1982 Date of first Appointment: September 24, 2010 Address: 501, 5 th Floor, Krishna Baug, 8 th and 11 th Road, Near Madhu Park, Khar West, Mumbai – 400052, Maharashtra, India Occupation: Professional Nationality: Indian Date of expiration of the current term of office: For a term of 5 year from April 01, 2019 i.e. till March 31, 2024 DIN: 03319142	40	Other Directorships NIL
6.	Ms. Mahalakshmi Subramanian Designation: Non-Executive Independent Director Date of Birth: July 01, 1965 Date of first Appointment: August 05, 2014 Address: 503, A-Wing, Hillside, Raheja Vihar, Chandivalli, Andheri East, Mumbai – 400072, Maharashtra, India Occupation: Professional Nationality: Indian Date of expiration of the current term of office: For a term of 5 year from August 5, 2019 i.e. till August 4, 2024	57	Other Directorships NIL

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ proprietorship
	DIN: 06940781		
7.	Mr. Jyotin Mehta Designation: Non-Executive Independent Director Date of Birth: February 16, 1958 Date of first Appointment: April 22, 2022 Address: Y 804/5, Golden Rays, Shashtri Nagar, Near Laxmi Industrial Estate, Andheri West, Azad Nagar, Mumbai – 400053, Maharashtra, India. Occupation: Professional Nationality: Indian Date of expiration of the current term of office: For a term of 5 year from April 22, 2022 i.e. till April 21, 2027 DIN: 00033518	64	Other Directorships 1. JSW Ispat Special Products Limited 2. Linde India Limited 3. Suryoday Small Finance Bank Limited 4. Ind Aust Maritime Private Limited 5. Mahindra Rural Housing Finance Limited 6. Mahindra Insurance Brokers Limited 7. ICICI Prudential Pension Funds Management Company Limited 8. ICICI Prudential Trust Limited 9. Fineng Solutions Private Limited[#]

[#] Amalgamated

* Under liquidation

Relationship between our Directors:

None of the directors are related to each other in terms of the definition of ‘relative’ under Section 2 (77) of the Companies Act.

Brief Biographies of Directors:

Mr. Sunil Lalbhai, Chairman

Mr. Sunil Lalbhai is the Chairman of the Board since 2010 and is also the Chairman of Atul Ltd. Mr. Sunil Lalbhai holds a post-graduate degree in Chemistry from the University of Massachusetts, USA and a postgraduate degree in Economic Policy and Planning from Northeastern University, Boston, Massachusetts, USA.

He has been associated with other listed companies as an Independent Director. He also associated with BAIF Institute for Sustainable Livelihoods and Development as a Director and also a trustee with BAIF Development Research Foundation.

Mr. Rajeev Kumar, Managing Director

Mr. Rajeev Kumar is the Managing Director of our Company since 2017. Mr. Rajeev Kumar holds a graduate degree in Biotechnology (Pulp and Paper Engineering) from Indian Institute of Technology (IIT), Roorkee and a post-graduate degree in Business Administration (Marketing) from Indira Gandhi National Open University (IGNOU), New Delhi.

Mr. Rajeev Kumar has more than 27 years of working experience. He has worked with chemical group BASF India Ltd., at different locations in India and Singapore for 19 years where he played a key role in different facets of business i.e. Sales & Marketing, Strategy & Asset Management head, Finance head.

Mr. Gopi Kannan Thirukonda, Non-Executive Non-Independent Director

Mr. Gopi Kannan Thirukonda is our Non-Executive Non-Independent Director of our Company. He has been a member of the Board of Directors since 2010 and is also the Chief Financial Officer and Whole-time Director of Atul Ltd. Mr. Gopi Kannan Thirukonda is a Fellow Member of the Institute of Chartered Accountants of India, the Institute of Cost and Management Accountants of India and the Institute of Company Secretaries of India. He holds a post-graduate diploma in Management from Indian Institute of Management, Ahmedabad.

He has over 37 years of experience in areas of finance and accountancy and has been associated with companies such as Pfizer Limited and Nestle India Limited. He has been associated with the Atul group since the past 28 years and is presently the Whole-time Director and President – Finance for Atul Limited.

Mr. Sujal Shah, Non-Executive Independent Director

Mr. Sujal Shah is a Practicing Chartered Accountant and has a post qualification experience of approximately 28 years. Mr. Sujal Shah has been a member of the Board of Directors since 2010. Mr. Sujal Shah is a founder partner of SSPA & Co Chartered Accountants. He is a Fellow Member of Institute of Chartered Accountants of India.

Mr. Sujal Shah's main areas of practice are valuation for mergers and acquisitions, advising on restructuring of business, conducting financial due diligence and general corporate advisory. He has handled large corporate mergers and carried out valuations of reputed national and multinational companies. He has also authored several papers on Valuation and Restructuring.

Mr. Abhay Jadeja, Non-Executive Independent Director

Mr. Abhay Jadeja is a member of the Board of Directors since 2010. Mr. Abhay Jadeja holds a graduate degree in law from the University of Mumbai. Mr. Abhay Jadeja has been practicing law since 2005 and currently is the Managing Partner at Jadeja & Satiya. His area of practice focuses on complex commercial and civil litigations, foreign exchange regulation matters, securities laws, insolvency and pricing related matters.

Ms. Mahalakshmi Subramanian, Non-Executive Independent Director

Ms. Mahalakshmi Subramanian is a Non-Executive Independent Director of the Company since 2014. She is a Fellow Member of Institute of Chartered Accountants of India and is also a Certified Financial Risk Manager from The Global Association of Risk Professionals.

Ms. Mahalakshmi Subramanian has experience of working with various corporates such as ICICI Limited and L&T Financia Limited. She is also a visiting professor of Finance with various B School in Mumbai. Ms. Mahalakshmi Subramanian's experience ranges from project financing, branch operations, management audit, credit risk management, compliance and financial analysis.

Mr. Jyotin Mehta, Non-Executive Director Independent Director

Mr. Jyotin Mehta is a Non-Executive, Independent Director of our Company and has joined our Board in April 2022. Mr. Jyotin Mehta holds a graduate degree in Commerce. He is a Fellow Member of the Institute of Chartered Accountants of India, the Institute of Cost and Management Accountants of India and the Institute of Company Secretaries of India.

During the course of his experience, Mr. Jyotin Mehta has been associated with various corporates such as Voltas Limited as Vice President & Chief Internal Auditor, 3i Infotech Limited, ICICI Limited and ICICI Bank Limited

as their General Manager and Company Secretary, Bharat Shell Limited as their Vice President – Finance and Company Secretary. He is also an Independent Director on the Board of various other corporates and is a visiting faculty for various prestigious institutes.

Past Directorships in listed companies

None of the Directors is or were a director of any listed company during the last five years preceding the date of filing of the Draft Letter of Offer, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of the Directors is or was a director of any listed company during the last ten years preceding the date of filing of the Draft Letter of Offer, which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

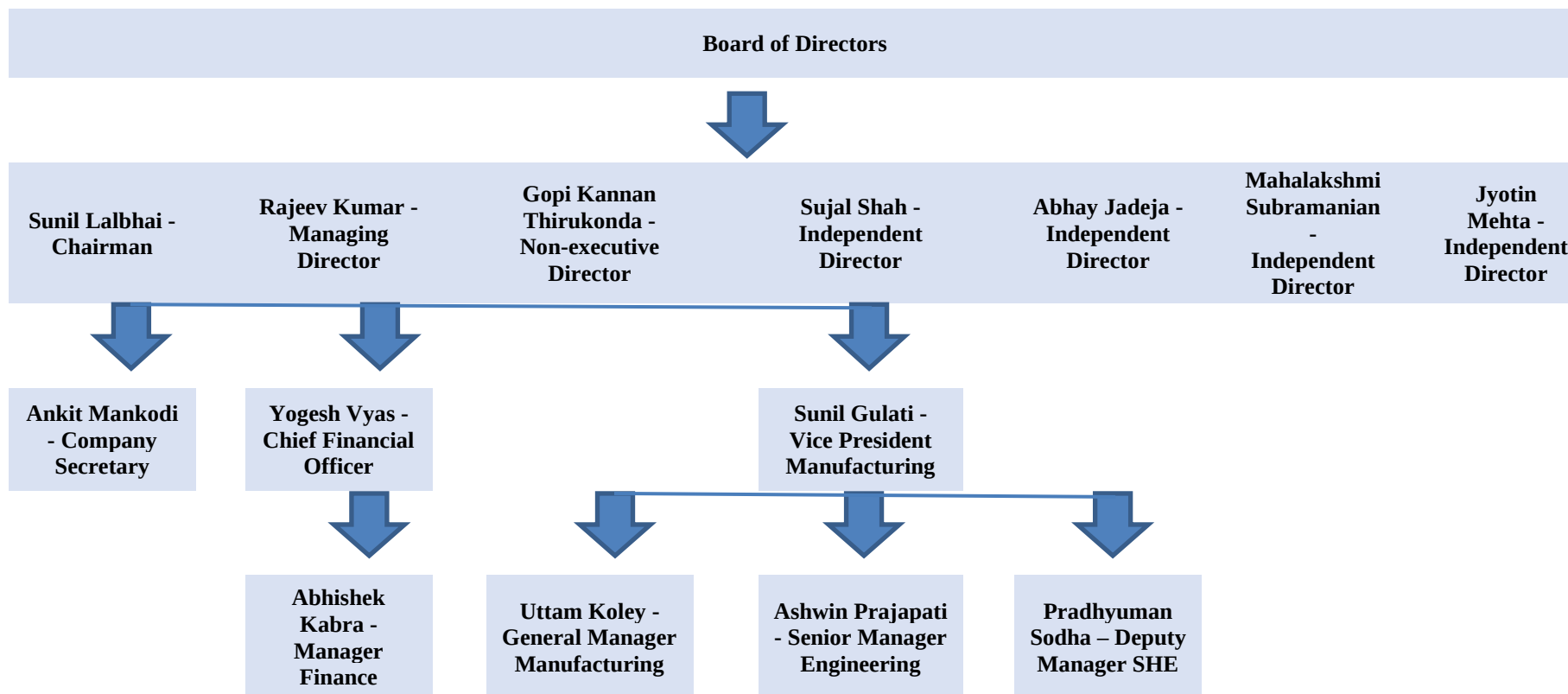
Other confirmations

Our Company has not entered into any service contracts with our Directors, which provide for benefits upon termination of their directorship.

We confirm that as on the date of this Draft Letter of Offer, there are no arrangements or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board of Directors as a member of the senior management.

Management Organisation Structure

The corporate structure of our Company is as under:



Our Key Managerial Personnel

In addition to our Managing Director, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Letter of Offer:

Name	Designation
Mr. Yogesh Vyas	Chief Financial Officer
Mr. Ankit Mankodi	Company Secretary & Compliance Officer

In addition to the persons named above, the following are the Senior Management Personnel of our Company:

Name	Designation
Mr. Abhishek Kabra	Manager Finance
Mr. Uttam Koley	General Manager Manufacturing
Mr. Ashwin Prajapati	Senior Manager Engineering
Mr. Pradhyuman Sodha (SHE)	Deputy Manager

Relationship among Key Management Personnel and among Key Management Personnel and Directors

Our Key Management Personnel are neither related to each other nor related to any of the Directors.

SECTION VII – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Particulars	Page No.
Consolidated Unaudited Financial Results for the six months ended on September 30, 2022	72 to 77
Independent Auditor's Report on the Consolidated Audited Financial Statements	78 to 87
Consolidated Audited Financial Statements for the year ended March 31, 2022	88 to 116



Amal Ltd

310 B, Veer Savarkar Marg, Dadar (West), Mumbai 400 028, Maharashtra, India

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CIN L24100MH1974PLC017594

Part IV: Consolidated unaudited financial results for the quarter | six months ended on September 30, 2022

(₹ lakhs)

No.	Particulars	Quarter ended on			Six months ended on		Year ended on
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
01.	INCOME						
	a) Revenue from operations	1,490.01	1,090.25	1,104.88	2,580.26	1,384.43	4,348.01
	b) Other income	0.06	2.21	8.34	2.27	28.63	31.48
	Total income	1,490.07	1,092.46	1,113.22	2,582.53	1,413.06	4,379.49
02.	EXPENSES						
	a) Cost of materials consumed	1,251.00	873.79	729.16	2,124.79	913.30	2,745.21
	b) Changes in inventories of finished goods and work-in-progress	8.29	4.26	3.73	12.55	(0.11)	(23.87)
	c) Power, fuel and water	228.21	78.01	88.95	306.22	134.52	321.52
	d) Repairs and maintenance	46.79	142.58	32.56	189.37	147.69	221.08
	e) Employee benefit expenses	86.46	65.79	54.71	152.25	107.39	219.41
	f) Finance costs	124.18	20.76	12.87	144.94	25.76	95.04
	g) Depreciation and amortisation expenses	201.51	40.76	38.47	242.27	93.05	169.86
	h) Other expenses	142.49	113.01	173.09	255.50	255.11	469.27
	Total expenses	2,088.93	1,338.96	1,133.54	3,427.89	1,676.71	4,217.52
03.	Profit (loss) before tax	(598.86)	(246.50)	(20.32)	(845.36)	(263.65)	161.97
04.	Tax expense						
	a) Current tax	7.87	(50.73)	(0.75)	(42.86)	(61.13)	92.49
	b) Deferred tax	(8.52)	(15.66)	(6.11)	(24.18)	(8.03)	(41.46)
	Total tax expense	(0.65)	(66.39)	(6.86)	(67.04)	(69.16)	51.03
05.	Profit (loss) for the period	(598.21)	(180.11)	(13.46)	(778.32)	(194.49)	110.94
06.	Other comprehensive income						
	a) Items that will not be reclassified to profit loss						
	Remeasurement gain (loss) on defined benefit plans (net of tax)	(0.36)	(0.36)	(0.22)	(0.72)	(0.44)	(1.44)
07.	Total comprehensive income (expense) for the period	(598.57)	(180.47)	(13.68)	(779.04)	(194.93)	109.50
08.	Paid-up equity share capital (face value ₹ 10 per share)	942.50	942.50	942.50	942.50	942.50	942.50
09.	Other equity						2592.04
10.	Earnings per equity share						
	Basic and diluted earnings ₹ per equity share of ₹ 10 each (not annualised, excluding year end)	(6.35)	(1.91)	(0.14)	(8.26)	(2.06)	1.18





Amal Ltd

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CIN L24100MH1974PLC017594

Part V: Consolidated Statement of Assets and Liabilities

(₹ lakhs)

No.	Particulars	As at	
		September 30, 2022	March 31, 2022
		Unaudited	Audited
A	ASSETS		
1	Non-current assets		
	a) Property, plant and equipment	8,280.61	1,442.77
	b) Capital work-in-progress	807.06	6,650.35
	c) Financial assets		
	i) Investments	42.77	42.77
	ii) Other financial assets	93.46	22.66
	d) Income tax assets (net)	119.18	-
	e) Other non-current assets	709.63	233.84
	Total non-current assets	10,052.71	8,392.39
2	Current assets		
	a) Inventories	166.71	256.20
	b) Financial assets		
	i) Trade receivables	173.43	134.28
	ii) Cash and cash equivalents	60.44	12.56
	iii) Other financial asset	48.50	24.00
	c) Other current assets	851.53	1,192.59
	d) Asset held for sale	1.53	2.90
	Total current assets	1,302.14	1,622.53
	Total assets	11,354.85	10,014.92
B	EQUITY AND LIABILITIES		
	Equity		
	a) Equity share capital	942.50	942.50
	b) Other equity	1,813.00	2,592.04
	Total equity	2,755.50	3,534.54
	Liabilities		
1	Non-current liabilities		
	a) Financial liabilities		
	i) Borrowings	4,519.78	4,193.01
	b) Provisions	8.39	8.88
	c) Deferred tax liabilities (net)	40.65	64.83
	Total non-current liabilities	4,568.82	4,266.72
2	Current liabilities		
	a) Financial liabilities		
	i) Borrowings	1,410.77	912.31
	ii) Trade payables		
	Total outstanding dues of		
	a) Micro enterprises and small enterprises	4.28	1.69
	b) Creditors other than micro enterprises and small enterprises	514.79	309.22
	iii) Other financial liabilities	517.55	640.58
	b) Contract liabilities	1,171.33	-
	c) Other current liabilities	51.63	67.10
	d) Provisions	63.22	1.59
	e) Current tax liabilities	296.96	281.17
	Total current liabilities	4,030.53	2,213.66
	Total liabilities	8,599.35	6,480.38
	Total equity and liabilities	11,354.85	10,014.92





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Part VI: Consolidated Statement of Cash Flows

(₹ lakhs)

No.	Particulars	For the six months ended on	
		September 30, 2022	September 30, 2021
		Unaudited	Unaudited
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit (loss) before tax	(845.36)	(263.66)
	Adjustments for:		
	Depreciation and amortisation expenses	242.27	93.05
	Finance costs	144.94	25.76
	Interest income from financial assets measured at amortised cost	-	(4.32)
	Gain of current investments at FVPL (net)	-	(23.78)
	Dividend income	-	(0.53)
	Gain on disposal of property, plant and equipment (net)	(2.33)	-
	Operating profit (loss) before change in operating assets and liabilities	(460.48)	(173.48)
	Adjustments for:		
	(Increase) Decrease in inventories	89.49	(24.98)
	(Increase) Decrease in non-current and current assets	(406.48)	(205.46)
	Increase (Decrease) in non-current and current liabilities	1,428.95	20.61
	Cash generated from (used in) operations	651.48	(383.31)
	(Income tax paid) net of refund	(60.53)	340.41
	Net cash flow generated from (used in) operating activities A	590.95	(42.90)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment towards property, plant and equipment (including capital advances)	(1,251.61)	(2,288.38)
	Sale (purchase) of current investments measured at FVPL (net)	-	1,731.64
	Income received from current investments measured at FVPL (net)	-	54.14
	Dividend received	-	0.53
	Interest received on financial assets measured at amortised cost	-	4.32
	Net cash used in investing activities B	(1,251.61)	(497.75)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Disbursements of term loan	716.77	547.37
	Disbursements of short term borrowings	94.64	-
	Interest paid	(102.87)	(20.54)
	Net cash flow from financing activities C	708.54	526.83
	Net increase (decrease) in cash and cash equivalents A+B+C	47.88	(13.82)
	Cash and cash equivalents at the beginning of the period	12.56	54.00
	Cash and cash equivalents at the end of the period	60.44	40.18





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Consolidated unaudited financial results for the quarter | six months ended on September 30, 2022

Notes:

- 1 These results have been prepared in accordance with the Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- 2 The results have been reviewed and recommended for adoption by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 14, 2022. The Statutory Auditors have carried out limited review of the consolidated unaudited financial results for the six months ended on September 30, 2022. Their limited review report does not have any modification.
- 3 Amal Speciality Chemicals Ltd, a 100% subsidiary, commissioned its new manufacturing facility of 300 mt per day of Sulphuric Acid equivalent products in Ankleshwar during the quarter ended September 30, 2022.
- 4 The Parliament of India has approved the Code on Social Security, 2020 (the Code) which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. Final rules are yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record related impact, if any.
- 5 During the Quarter ended June 30, 2022, planned shutdown for annual maintenance activities was undertaken. The results for the Quarter ended September 30, 2022 and September 30, 2021 are not comparable with that of the Quarter ended June 30, 2022.
- 6 The Group operates in a single segment, that is, manufacturing of bulk chemicals.



Mumbai
October 14, 2022



For Amal Ltd

(Rajeev Kumar)
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
AMAL LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **AMAL LIMITED** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the quarter and six months ended September 30, 2022 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the 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 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel 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 specified under Section 143(10) of the Companies Act, 2013 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 a subsidiary viz. Amal Specialty Chemicals Limited.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Ketan Vora
Partner

Membership No. 100459
(UDIN: 22100459AZQLDY1654)

Place: Mumbai
Date: October 14, 2022



Amal Ltd

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CIN: L24100MH1974PLC017594

Extract of standalone and consolidated unaudited financial results for the quarter | six months ended on September 30, 2022

[In terms of Regulation 47(1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015]

(₹ lakhs)

No.	Particulars	Standalone						Consolidated					
		Quarter ended on			Six months ended on		Year ended on	Quarter ended on			Six months ended on		Year ended on
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Total income from operations	1,152.02	1,091.68	1,104.88	2,243.70	1,384.43	4,348.01	1,490.01	1,090.25	1,104.88	2,580.26	1,384.43	4,348.01
2.	Net profit (loss) for the period before tax	24.25	(166.99)	15.56	(142.74)	(210.47)	332.37	(598.86)	(246.50)	(20.32)	(845.36)	(263.65)	161.97
3.	Net profit (loss) for the period after tax	17.27	(116.85)	13.94	(99.58)	(154.09)	242.78	(598.21)	(180.11)	(13.46)	(778.32)	(194.49)	110.94
4.	Total comprehensive income (expense) for the period [comprising profit for the period (after tax) and other comprehensive income (after tax)]	16.91	(117.21)	13.72	(100.30)	(154.53)	241.34	(598.57)	(180.47)	(13.68)	(779.04)	(194.93)	109.50
5.	Equity share capital	942.50	942.50	942.50	942.50	942.50	942.50	942.50	942.50	942.50	942.50	942.50	942.50
6.	Other equity						2,735.25						2,592.04
7.	Basic and diluted earnings ₹ per equity share of ₹ 10 each (not annualised, excluding year end)	0.18	(1.24)	0.15	(1.06)	(1.63)	2.58	(6.35)	(1.91)	(0.14)	(8.26)	(2.06)	1.18

Notes:

- The above is an extract of the detailed format of results filed with the Stock Exchange under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The details in prescribed format of the results are available on the websites of the Stock Exchange (www.bseindia.com) and the Company (www.amal.co.in).

Mumbai
October 14, 2022



For Amal Ltd
(Rajeev Kumar)
Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Amal Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

01. We have audited the accompanying Consolidated Financial Statements of Amal Limited ("the Company" or "the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information.
02. In our opinion and to the best of our information and according to the explanations given to us the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

03. We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

04. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated



Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue from sale of goods to Parent Company Significant revenue of the Company is generated through Sale of Goods to its Holding Company. Occurrence of such transactions and their pricing on an arm's length basis were significant areas of audit focus.	Our procedures included but were not limited to: - Obtaining a detailed understanding of the management's processes, controls and policies with respect to related party transactions. - Evaluation of the design of controls including approvals and related compliances. - Testing implementation and operating effectiveness of the controls that address risks relating to the occurrence and the pricing. - Performing following procedures on the samples selected: - Reading and verification of the terms of the purchase orders. Performing corroborative inquiries for the business rational on pricing and relevant terms and conditions, including sighting evidence of transaction of similar products on identical terms with unrelated parties. - Verification of necessary approvals as per the authorization matrices. - Verification of documentary evidence around deliveries and subsequent realization, and obtaining balance confirmations. - Performing analytical procedures and trend analysis - Assessing adequacy and appropriateness of the disclosures in the Standalone Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

05. The Board of Directors of the Parent is responsible for the other information. The other information comprises the information included in the Letter to shareholders, Operational highlights, Financial charts, Directors' report and its annexure, Management Discussion and Analysis, Corporate Governance report, Business Responsibility report, Dividend distribution policy, and Performance trend but does not include the standalone financial statements, Consolidated Financial Statements and our Auditor's reports thereon.
06. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.



07. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
08. 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.

Management's Responsibility for the Consolidated Financial Statements

09. The Board of Directors of the Parent is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS, and other accounting principles generally accepted in India. 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.
10. In preparing the Consolidated 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 respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Financial Statements.

13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - 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 Consolidated 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.
 - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. We remain solely responsible for our audit opinion.



Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated 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 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.

Report on Other Legal and Regulatory Requirements

14. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.



- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2022 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditors' reports of the Parent company, subsidiary companies to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness internal financial controls over financial reporting of those Companies, for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent/ Holding Company, and its subsidiary company
 - iv. (a) The respective Managements of the Company and its subsidiary, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiary no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person



or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

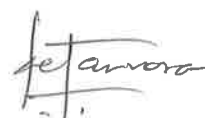
(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number: 117366W | W-100018



Ketan Vora

Partner

Membership Number: 100459

UDIN: 22100459AIAPBL8210

Place: Mumbai

Date: April 22, 2022

Annexure A to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on other legal and regulatory requirements' Section of our report of even date)

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

01. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2022, we have audited the Internal Financial Controls over financial reporting of Amal Limited ("the Parent"), its subsidiary companies as of that date.

Management's responsibility for Internal Financial Controls

02. The respective Board of Directors of the Parent, its subsidiary companies are responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the respective companies 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

03. Our responsibility is to express an opinion on the Internal Financial Controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
04. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their



operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over

financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

05. 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 over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over financial reporting

06. The Internal Financial Control over financial reporting of a company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. The Internal Financial Control over financial reporting of a company includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of assets of the company that could have a material effect on the Financial Statements.

Inherent limitations of Internal Financial Controls over financial reporting

07. Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

08. In our opinion to the best of our information and according to the explanations given to us, Parent and its subsidiary companies have, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial



Deloitte Haskins & Sells LLP

Controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number: 117366W | W-100018



Ketan Vora

Partner

Membership Number: 100459

UDIN: 22100459AIAPBL8210

Place: Mumbai

Date: April 22, 2022

Particulars	Note	As at March 31, 2022	As at March 31, 2021
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment	2	1,442.77	928.43
b) Capital work-in-progress	2	6,650.35	736.09
c) Financial assets			
i) Investments	3.1	42.77	42.77
ii) Other financial assets	4	22.66	37.85
d) Income tax assets (net)	26.4	-	77.21
e) Other non-current assets	5	233.84	267.16
Total non-current assets		8,392.39	2,089.51
2 Current assets			
a) Inventories	6	256.20	137.78
b) Financial assets			
i) Investments	3.2	-	1,911.74
ii) Trade receivables	7	134.28	482.10
iii) Cash and cash equivalents	8	12.56	54.00
iv) Other financial assets	4	24.00	6.38
c) Other current assets	5	1,192.59	156.92
d) Asset held for sale		2.90	-
Total current assets		1,622.53	2,748.92
Total assets		10,014.92	4,838.43
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	9	942.50	942.50
b) Other equity	10	2,592.04	2,483.03
Total equity		3,534.54	3,425.53
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	11	4,193.01	416.50
ii) Lease liability	12	-	0.87
b) Provisions	13	8.88	5.51
c) Deferred tax liabilities (net)	26.4	64.83	106.30
Total non-current liabilities		4,266.72	529.18
2 Current liabilities			
a) Financial liabilities			
i) Borrowings	11	912.31	148.55
ii) Trade payables			
Total outstanding dues of			
a) Micro-enterprises and small enterprises	14	1.69	26.71
b) Creditors other than micro-enterprises and small enterprises	14	309.22	288.09
iii) Other financial liabilities	15	640.58	377.40
b) Other current liabilities	16	67.10	42.22
c) Provisions	13	1.59	0.75
d) Current tax liabilities (net)	26.4	281.17	-
Total current liabilities		2,213.66	883.72
Total liabilities		6,480.38	1,412.90
Total equity and liabilities		10,014.92	4,838.43

The accompanying Notes 1-26 form an integral part of the Consolidated Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants


Ketan Vora
Partner


Yogesh Vyas
Chief Financial Officer


Akshay Mankodi
Company Secretary

For and on behalf of the Board of Directors


Sunil Lalbhai
Chairman


Rajeev Kumar
Managing Director



Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ lakhs)

Particulars	Note	2021-22	2020-21
INCOME			
Revenue from operations	17	4,348.01	3,042.04
Other income	18	31.48	124.46
Total income		4,379.49	3,166.50
EXPENSES			
Cost of materials consumed	19	2,745.21	960.24
Changes in inventories of finished goods and work-in-progress	20	(23.87)	(5.06)
Power, fuel and water	21	321.52	258.56
Repairs and maintenance	22	221.08	181.23
Employee benefit expenses	23	219.41	171.14
Finance costs	24	95.04	73.33
Depreciation and amortisation expenses	2	169.86	95.56
Other expenses	25	469.27	350.33
Total expenses		4,217.52	2,085.33
Profit before tax		161.97	1,081.17
Tax expense			
Current tax	26.4	92.49	234.38
Deferred tax	26.4	(41.46)	(32.96)
Total tax expense		51.03	201.42
Profit for the year		110.94	879.75
Other comprehensive income			
Items that will not be reclassified to profit loss			
Remeasurement gain (loss) on defined benefit plans (net of taxes)		(1.44)	(0.88)
Other comprehensive income, net of tax		(1.44)	(0.88)
Total comprehensive income for the year		109.50	878.87
Earnings per equity share			
Basic and diluted earnings ₹ per equity share of ₹ 10 each	26.9	1.18	9.33

The accompanying Notes 1-26 form an integral part of the Consolidated Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors


Ketan Vora
Partner


Yogesh Vyas
Chief Financial Officer


Ankit Mankodi
Company Secretary


Sunil Lalbhai
Chairman


Rajeev Kumar
Managing Director



Mumbai
April 22, 2022

Atul
April 22, 2022

Consolidated Statement of changes in equity

for the year ended March 31, 2022

A Equity share capital

(₹ lakhs)

Particulars	Note	Amount
As at March 31, 2020		942.50
Changes in equity share capital during the year		942.50
As at March 31, 2021		-
Changes in equity share capital during the year	9	942.50
As at March 31, 2022		-

B Other equity

(₹ lakhs)

Particulars	Reserves and surplus			Total other equity
	Securities premium	Retained earnings	Other equity (capital contributions from Atul Ltd)	
As at March 31, 2020	876.88	(913.17)	1,646.57	1,610.28
Profit for the year	-	879.75	-	879.75
Share issue expenses, net of tax	-	(6.12)	-	(6.12)
Other comprehensive income, net of tax	-	(0.88)	-	(0.88)
As at March 31, 2021	876.88	(40.42)	1,646.57	2,483.03
Profit for the year	-	110.94	-	110.94
Share issue expenses, net of tax	-	(0.49)	-	(0.49)
Other comprehensive income, net of tax	-	(1.44)	-	(1.44)
As at March 31, 2022	876.88	68.59	1,646.57	2,592.04

The accompanying Notes 1-26 form an integral part of the Consolidated Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants


Ketan Vora
Partner

For and on behalf of the Board of Directors


Yogesh Vyas
Chief Financial Officer


Ankit Mankodi
Company Secretary


Sunil Lalbhai
Chairman


Rajeev Kumar
Managing Director



Mumbai
April 22, 2022

Atul
April 22, 2022

Amal Ltd

Consolidated Statement of Cash Flows

for the year ended March 31, 2022



		(₹ lakhs)	
Particulars		2021-22	2020-21
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	161.97	1,081.17
	Adjustments for:		
	Depreciation and amortisation expenses	169.86	95.56
	Finance costs	95.04	73.33
	Interest income from financial assets measured at amortised cost	(5.99)	(5.20)
	Income from investments in mutual funds measured at FVPL (net)	(23.99)	(76.67)
	Gain on revaluation of investments in equity shares	-	(40.67)
	Dividend income	(0.53)	(0.52)
	Credit balance appropriated	(0.80)	(1.31)
	Gain on disposal of property, plant and equipment (net)	(0.04)	-
	Operating profit before change in operating assets and liabilities	395.52	1,125.69
	Adjustments for:		
	(Increase) Decrease in inventories	(118.42)	(44.36)
	(Increase) Decrease in non-current and current assets	(760.20)	116.85
	Increase (Decrease) in non-current and current liabilities	68.30	105.62
	Cash (used in) generated from operations	(414.80)	1,303.80
	(Income tax paid) net of refund	265.89	(256.46)
	Net cash flow (used in) generated from operating activities	A (148.91)	1,047.34
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Payments towards property, plant and equipment (including capital advances)	(6,279.52)	(732.67)
	Sale (purchase) of current investments measured at FVPL (net)	1,911.74	(399.09)
	Income received from investments in mutual funds measured at FVPL (net)	23.99	45.20
	Dividend received	0.53	0.52
	Interest received on financial assets measured at amortised cost	5.99	5.20
	Net cash used in investing activities	B (4,337.27)	(1,080.84)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Disbursements of term loans	4,688.82	244.13
	Disbursements (repayments) of preference share liabilities	(200.00)	(200.00)
	Interest paid	(43.59)	(1.36)
	Share issue expenses	(0.49)	(7.39)
	Net cash from financing activities	C 4,444.74	35.38
	Net increase (decrease) in cash and cash equivalents	A+B+C (41.44)	1.88
	Cash and cash equivalents at the beginning of the year	54.00	52.12
	Cash and cash equivalents at the end of the year	12.56	54.00

- The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows as notified under Companies (Indian Accounting Standards) Rules, 2015 as amended.
- Cash flows from operating activities includes ₹ 26.25 lakhs (March 31, 2021: ₹ 26.65 lakhs) being expenses towards Corporate Social Responsibility initiatives.
- Refer Note 11 (vi) for a reconciliation of changes in liabilities arising from financing activities.

The accompanying Notes 1-26 form an integral part of the Consolidated Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants


Ketan Vora
Partner


Yogesh Vyas
Chief Financial Officer


Ankit Mankodi
Company Secretary

For and on behalf of the Board of Directors


Sunil Lalbhai
Chairman


Rajeev Kumar
Managing Director



Mumbai
April 22, 2022

Atul
April 22, 2022

Notes to the Consolidated Financial Statements



Background

Amal Ltd (the Company) is a public company limited by shares, incorporated and domiciled in India. The Company is a subsidiary of Atul Ltd. Its registered office is located at Atul House, 310 B, Veer Savarkar Marg, Dadar (West), Mumbai 400 028, Maharashtra, India and its principal place of business is located at Ankleshwar 393 002, Gujarat, India.

The Company and its subsidiary company are referred as Group hereunder. The Group is engaged in the manufacturing of bulk chemicals such as Sulphuric acid and Oleum and their downstream products such as Sulphur dioxide and Sulphur trioxide.

Note 1 Significant accounting policies

This Note provides a list of the significant accounting policies adopted by the Group in preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented unless otherwise stated. The Consolidated Financial Statements are for the Group consisting of the Company and its subsidiary company.

a) Statement of compliance

The Consolidated Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

b) Basis of preparation

i) Historical cost convention:

The Consolidated Financial Statements have been prepared on a historical cost basis except for the following:

- a) Certain financial assets and liabilities (including derivative instruments): measured at fair value
- b) Defined benefit plans: plan assets measured at fair value

ii) The Consolidated Financial Statements have been prepared on accrual and going concern basis.

iii) Accounting policies are applied consistently to all the periods presented in the Consolidated Financial Statements. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Group and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

iv) New and amended in the Companies Act, 2013 and the Companies (CSR Policy) Amendment Rules, 2021 adopted by the Group: The Group has applied the following amendments to Schedule III to the Companies Act, 2013 and the Companies (CSR Policy) Amendment Rules, 2021 for its annual reporting period commencing April 01, 2021:

- a) The Ministry of Corporate Affairs (MCA) has amended Schedule III of the Companies Act 2013, on March 24, 2021. Schedule III of the Companies Act 2013, provides the format of financial statements of companies complying with Accounting Standards (AS) and Ind AS under its Division I and Division II, respectively.
- b) The MCA has notified provisions relating to CSR vide the Companies (Amendment) Act, 2019, Companies (Amendment) Act, 2020, and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which is effective from January 22, 2021.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

v) Recent accounting pronouncements:

The MCA notifies new standards or amendment to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 as follows:

Ind AS 16 - Property, Plant and Equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the Consolidated Statement of Profit and Loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its Consolidated Financial Statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets:

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples may be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example may be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendments and the impact is not expected to be material.





Notes to the Consolidated Financial Statements

c) Basis of consolidation

i) Subsidiary company

Subsidiary company is entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary company is consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are one or more changes to elements of control described above.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the Financial Statements of the Parent and its subsidiary company line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary company have been changed where necessary, to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary company are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Consolidated Balance Sheet respectively.

ii) Changes in ownership interest:

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary company. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company, joint venture company or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the Consolidated Statement of Profit and Loss.

d) Foreign currency transactions

i) Functional and presentation currency:

Items included in the Financial Statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates (functional currency). The Consolidated Financial Statements are presented in Indian Rupee (₹), which is also the functional currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated Statement of Profit and Loss except that they are deferred in other equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis within other income.

Non-monetary items that are measured at fair value that are denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss). Non-monetary items that are measured in terms of historical cost in foreign currency are not revalued.



Notes to the Consolidated Financial Statements



e) Revenue recognition

i) Revenue from operations:

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Group or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue is measured based on the consideration to which the Group expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 45 days. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Group only on an exception basis. Revenue excludes any taxes or duties collected on behalf of the government that are levied on sales such as goods and services tax and tax collected at source.

ii) Other income:

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends are recognised in the Consolidated Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

f) Income tax

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Consolidated Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. Such asset is reviewed at each Consolidated Balance Sheet date.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit | (loss) nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary company where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary company where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The Group considers reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment of deferred tax liabilities and realisability of deferred tax assets. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Group will realise the benefits of those deductible differences.



Notes to the Consolidated Financial Statements



f) Income tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group applies significant judgement in identifying uncertainties over income tax treatments. The Group assesses whether the Appendix has an impact on its Consolidated Financial Statements.

Upon adoption of Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions based on past experience pertaining to income taxes including those related to transfer pricing. The Group has determined its tax position based on tax compliance and present judicial pronouncements and accordingly expects that its tax treatments will be accepted by the taxation authorities.

g) Leases

As a lessee

The Group assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: i) the contract involves the use of an identified asset, ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease or iii) the Group has the right to direct the use of the asset.

At the commencement date of the 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 short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has the right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At the commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Consolidated Balance Sheet based on their nature. Leases of property, plant and equipment where the Group as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.





Notes to the Consolidated Financial Statements

h) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Gains or losses arising on retirement or disposal of assets are recognised in the Consolidated Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment that are not ready for intended use as on the date of Consolidated Balance Sheet are disclosed as 'capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value

The charge in respect of periodic depreciation is derived after determining an estimate of expected useful life and the expected residual value at the end of its life of the assets. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives.

Depreciation is calculated on a pro-rata basis on the straight-line method from the date of acquisition | installation till the date the assets are sold or disposed of:

Asset category	Estimated useful life
Buildings	5 to 60 years
Plant and equipment	3 to 20 years
Vehicles	6 to 10 years
Office equipment and furniture	3 to 10 years

The useful lives have been determined based on technical evaluation done by the Management | experts which are different from the useful life prescribed in Part C of Schedule II to the Act, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

The property, plant and equipment, including land acquired under finance leases are depreciated over the useful life of the asset or over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Land accounted under finance lease is amortised on a straight-line basis over the primary period of lease.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful life.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss within other income.

i) Impairment

The carrying amount of assets are reviewed at each Consolidated Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.





Notes to the Consolidated Financial Statements

k) Trade receivables

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss.

l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

m) Inventories

Inventories are stated at cost or net realisable value, whichever is lower. Cost is determined on periodic moving weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to effect the sale.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.

Due allowances are made for slow | non-moving, defective and obsolete inventories based on estimates made by the Group.

Items such as spare parts, stand-by equipment and servicing equipment that are not plant and machinery get classified as inventory.

n) Investments and other financial assets

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- ii) Those measured at amortised cost

The classification depends on business model of the Group for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI.

Debt instruments

Initial recognition and measurement:

Financial asset is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial asset is recognised initially at fair value plus, in the case of financial asset not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit and Loss.

Subsequent measurement:

Subsequent measurement of debt instruments depends on the business model of the Group for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Consolidated Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the 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 the equity to other income in the Consolidated Statement of Profit and Loss.

Measured at fair value through profit or loss(FVPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. 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.





Notes to the Consolidated Financial Statements

Equity instruments

The Group subsequently measures all investments in equity instruments at fair value. The Management of the Group has elected to present fair value gains and losses on its investment equity instruments in other comprehensive income and there is no subsequent reclassification of these fair value gains and losses to the Consolidated Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Consolidated Statement of Profit and Loss as other income when the right to receive payment is

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and lease 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 such receivables. The Group computes expected lifetime losses based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset, the asset expires or the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised through the Consolidated Statement of Profit and Loss or other comprehensive income as applicable. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities

i) Classification as debt or equity:

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement:

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

iv) Derecognition:

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expired.

o) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Consolidated Statement of Profit and Loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. If not, the fee is deferred until the draw down occurs.



Notes to the Consolidated Financial Statements



p) Borrowings (continued)

Borrowings are removed from the Consolidated Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Consolidated Statement of Profit and Loss as other income | (expense).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

q) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

r) Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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.

s) Employee benefits

Defined benefit plan

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Consolidated Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is represented by creation of separate fund and is used to meet the liability as and when it becomes due for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Consolidated Statement of Profit and Loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate at the beginning of the period to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of changes in equity and in the Consolidated Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.



Notes to the Consolidated Financial Statements



s) Employee benefits (continued)

Defined contribution plan

Contributions to defined contribution schemes such as contribution to provident fund, superannuation fund, employees' state insurance corporation, national pension scheme and labours welfare fund are charged as an expense to the Consolidated Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the Group has no further defined obligations beyond the monthly contributions.

Short-term employee benefits

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits, etc are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations. Termination benefits are recognised as an expense as and when incurred.

Short-term employee benefits are provided at undiscounted amount during the accounting period based on service rendered by employees.

Other long-term employee benefits

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

t) Earnings per share

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to equity shareholders of Amal Ltd by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders of Amal Ltd and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Estimation of uncertainties relating to the COVID-19 pandemic

The Group has considered possible effects that may result from the COVID-19 pandemic and Russia-Ukraine war in preparation of these Consolidated Financial Statements, and used relevant internal and external sources of information and expects that these events will not have any material implications on the operations of the Group in the near future.

Critical estimates and judgements

Preparation of the Consolidated Financial Statements require the use of accounting estimates, judgements and assumptions, which by definition, will seldom equal the actual results. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Consolidated Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated Financial Statements. This Note provides an overview of the areas that involves a higher degree of judgement or complexity and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Consolidated Financial Statements.

The areas involving critical estimates or judgements are:

- i) Estimation for income tax: Note 1 (f)
- ii) Estimation of useful life of tangible assets: Note 1 (h)
- iii) Estimation of provision for inventories: Note 1 (m)
- iv) Allowance for credit losses on trade receivable: Note 1 (k)
- v) Estimation of claims | liabilities: Note 1 (r)
- vi) Estimation of defined benefit obligation: Note 1 (s)
- vii) Impairment: Note 1 (n)



(₹ lakhs)

(249612)

¹The lease term in respect of leasehold land is 99 years. The lease term in respect of land acquired under finance lease is up to 99 years with ability to opt for renewal of the lease term on fulfilment of certain conditions.

³Refer Note 26.10 for disclosures where the Company is a lessee under a finance lease.

⁵Certain assets of the group are pledged as security to Axis Bank Ltd.

Refer Note 26.2 for disclosure of contractual commitment for acquisition of property, plant and equipment.

Capital-work-in progress ageing



Notes to the Consolidated Financial Statements



Note 3.1 Other investments	Face value (₹)	As at March 31, 2022		As at March 31, 2021	
		Number of shares	Amount (₹ lakhs)	Number of shares	Amount (₹ lakhs)
Investment in equity instruments at FVPL (fully paid-up)					
Unquoted					
Gujarat Synthwood Ltd ¹	10	1,00,000	-	1,00,000	-
Aakar Performance Plastics Ltd	10	880	-	880	-
Valmiki Poly Products Ltd	10	40,000	-	40,000	-
Zoroastrian Co-operative Bank Ltd	25	4,000	-	4,000	-
Bhoruch Enviro Infrastructure Ltd	10	21,000	2.10	21,000	2.10
Narmada Clean Tech Ltd	10	4,06,686	40.67	4,06,686	40.67
Total other investments (A)			42.77		42.77

¹liquidated

Note 3.2 Current investment	As at March 31, 2022		As at March 31, 2021	
	Number of units	Amount (₹ lakhs)	Number of units	Amount (₹ lakhs)
Unquoted				
Investment in mutual funds measured at FVPL	-	-	1,45,95,101	1,911.74
Total current investment (B)		-		1,911.74
Aggregate amount of unquoted investments (A+B)		42.77		1,954.51

(₹ lakhs)

Note 4 Other financial assets	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
a) Security deposits for utilities and premises	-	22.66	-	37.35
b) Sales tax paid under protest	-	-	-	0.50
c) Other receivables	-	-	-	-
Insurance claim receivable	24.00	-	-	-
Related party (refer Note 26.3)	-	-	6.38	-
	24.00	22.66	6.38	37.85

(₹ lakhs)

Note 5 Other assets	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
a) Prepaid				
i) Gratuity	3.45	-	4.70	-
ii) Others	2.82	0.50	3.23	-
b) GST receivables	957.00	233.34	96.50	-
c) Advance to staff	-	-	0.07	-
d) Advances for goods and services	57.18	-	48.58	-
e) Other receivables	3.89	-	3.84	-
f) Capital advances	168.25	-	-	267.16
	1,192.59	233.84	156.92	267.16

(₹ lakhs)

Note 6 Inventories	As at March 31, 2022		As at March 31, 2021	
a) Raw materials ¹		95.97		27.48
Add: Goods-in-transit		38.27		-
		134.24		27.48
b) Finished goods ¹		41.62		17.75
c) Stores, spares and fuel		80.34		92.55
		256.20		137.78

¹Valued at cost or net realisable value, whichever is lower.

(₹ lakhs)

Note 7 Trade receivables	As at March 31, 2022		As at March 31, 2021	
Considered good - unsecured				
i) Related party (refer Note 26.3)		113.13		464.51
ii) Others		21.15		17.59
		134.28		482.10

Trade receivables consists of few customers, majorly from the related party, for which ongoing credit evaluation is performed on the financial condition of the account receivables, historical experience of collecting receivables, subsequent realisations and orders in hand. Based on evaluation, allowance for doubtful debts recognised in the Consolidated Statement of Profit and Loss is Nil.



Notes to the Consolidated Financial Statements



Trade receivable ageing

(₹ lakhs)

No.	Particulars	As at March 31, 2022						Total
		Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
1.	Undisputed trade receivables: considered good	134.28	-	-	-	-	-	134.28

(₹ lakhs)

No.	Particulars	As at March 31, 2021						Total
		Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
1.	Undisputed trade receivables: considered good	480.36	1.74	-	-	-	-	482.10

(₹ lakhs)

Note 8 Cash and cash equivalents		As at March 31, 2022	As at March 31, 2021
a)	Balances with banks		
	In current accounts	12.50	53.90
b)	Cash on hand	0.06	0.10
		12.56	54.00

There are no repatriation restrictions with regard to cash and cash equivalents.

(₹ lakhs)

Note 9 Equity share capital		As at March 31, 2022	As at March 31, 2021
Authorised			
1,50,00,000 (March 31, 2021: 1,50,00,000) equity shares of ₹ 10 each		1,500.00	1,500.00
		1,500.00	1,500.00
Issued and subscribed			
94,25,000 (March 31, 2021: 94,25,000) equity shares of ₹ 10 each, fully paid		942.50	942.50
		942.50	942.50

a) Rights, preferences and restrictions:

The Group has one class of shares referred to as equity shares having a par value of ₹ 10 each.

i) Equity shares:

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive the remaining assets of the Group, after distribution of all preferential amounts and preference shares. The distribution will be in proportion to the number of equity shares held by the shareholders. Each holder of equity shares is entitled to one vote per share. Additionally, the Group has authorised and issued fully paid 0% redeemable and non-convertible cumulative preference shares of ₹ 10 each classified as liabilities. These shares do not carry voting rights. Further details are provided in note 11.

ii) Dividend:

The dividend proposed by the Board, if any is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

b) Details of shareholders holding more than 5% of equity shares:

No.	Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
		Holding %	Number of shares	Holding %	Number of shares
1	Atul Finserv Ltd	48.48%	45,68,824	48.48%	45,68,824
2	Aagam Holdings Pvt Ltd	11.54%	10,87,809	11.54%	10,87,809
3	Atul Ltd (holding company)	1.38%	1,29,703	1.38%	1,29,703

c) Reconciliation of the number of shares outstanding and the amount of equity share capital:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	₹ lakhs	Number of shares	₹ lakhs
Balance as at the beginning of the year	94,25,000	942.50	94,25,000	942.50
Balance as at the end of the year	94,25,000	942.50	94,25,000	942.50

d) Shareholding of promoters:

No.	Promoter name	As at March 31, 2022			As at March 31, 2021		
		Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1	Atul Finserv Ltd	45,68,824	48.48%	0.00%	45,68,824	48.48%	-
2	Aagam Holdings Private Ltd	10,87,809	11.54%	0.00%	10,87,809	11.54%	-
3	Atul Ltd (holding company)	1,29,703	1.38%	0.00%	1,29,703	1.38%	-
4	Aayojan Resources Private Ltd	3,93,300	4.17%	5.50%	3,72,805	3.96%	-
5	Adhinami Investments Private Ltd	36,500	0.39%	0.00%	36,500	0.39%	0.39%
6	Akshita Holdings Private Ltd	12,596	0.13%	0.00%	12,596	0.13%	0.13%
7	Anusandhan Investments Private Ltd	7,000	0.07%	0.00%	7,000	0.07%	0.07%
8	Aagam Agencies Pvt Ltd	27,000	0.29%	10700.00%	250	0.00%	0.00%
9	Sunil Siddharth Lalbhai (on behalf of Virma Siddharth Family Trust)	20,643	0.22%	100.00%	-	0.00%	0.00%
10	Vimlaben S Lalbhai	13,250	0.14%	0.00%	13,250	0.14%	-
11	Sunil Siddharth Lalbhai	3,750	0.04%	0.00%	3,750	0.04%	-
	Swati S Lalbhai	706	0.01%	0.00%	706	0.01%	-
	Taral S Lalbhai	500	0.01%	0.00%	500	0.01%	-



Notes to the Consolidated Financial Statements



		(₹ lakhs)	
Note 10 Other equity		As at March 31, 2022	As at March 31, 2021
a)	Securities premium	876.88	876.88
b)	Retained earnings	68.59	(40.42)
c)	Other reserves		
i)	Capital contribution from Atul Ltd	1,646.57	1,646.57
		2,592.04	2,483.03

Refer Consolidated Statement of changes in equity for detailed movement in other equity balance.

Nature and purpose of other reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) Retained earnings

Retained earnings are the profits that the Group has earned till date, less, any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

c) Other reserve

As per Modified Sanction Scheme MS-10 and MS-13 approved by the Board of Industrial Finance and Reconstruction, the Company had issued 0% redeemable and non-convertible preference shares of ₹ 1,000 lakhs to Atul Ltd (promoter) and received interest free secured loan of ₹ 1,128.89 lakhs and interest free unsecured loan of ₹ 539.58 lakhs from Atul Ltd. These financial liabilities are measured at amortised cost and the initial fair value difference is recognised as capital contribution from Atul Ltd.

		(₹ lakhs)	
Note 11 Borrowings		As at March 31, 2022	As at March 31, 2021
		Current	Non-current
a)	Secured loan from Axis Bank	-	4,932.95
b)	20,00,000 (March 31, 2021: 40,00,000) 0% redeemable and non-convertible preference shares of ₹ 10 each (refer Notes (iii), (iv) and (v) below and also refer Note 26.3)	-	172.37
	Amount of current maturities of long-term debt disclosed under the head 'short-term borrowing'	912.31	(912.31)
		912.31	4,193.01
		148.55	(148.55)
		148.55	416.50

Notes:

i) Security

a) The secured loan is secured by the whole immovable and movable properties including machinery, machinery spares, tools and accessories, inventory and other movable assets both present and future.

b) Corporate Guarantee given by Amal Ltd.

ii) Terms | rights attached to preference shares

The Group has only one class of 0% redeemable and non-convertible preference shares having a par value of ₹ 10 per share. These shares are redeemable at par over a period of 7 years, starting ₹ 100 lakhs every year from financial year 2016-17 to 2019-20 and ₹ 200 lakhs every year from financial year 2020-21 to 2022-23.

iii) Preference share capital

		(₹ lakhs)	
(a) Details of preference share capital:		As at March 31, 2022	As at March 31, 2021
Authorised			
1,00,00,000 (March 31, 2021: 1,00,00,000) 0% redeemable and non-convertible preference shares of ₹ 10 each		1,000	1,000
Issued, subscribed and fully paid-up			
20,00,000 (March 31, 2021: 40,00,000) 0% redeemable and non-convertible preference shares of ₹ 10 each		200	400

iv) Details of the shareholders holding more than 5% shares in the preference share capital of the Company

		(₹ lakhs)	
Name of the shareholder	Nature of holding	As at March 31, 2022	As at March 31, 2021
		Holding %	Number of shares
Atul Ltd	Holding company	100.00	20,00,000
		100.00	40,00,000

During the year, the Company has redeemed 20,00,000 0% redeemable and non-convertible preference shares of ₹ 10 each as per the schedule of repayment.

v) Effective interest rate and maturity profile of borrowings

a) Effective interest rate

Particulars	Rate
a) Rupee term loan from Axis Bank (secured)	8.25%
b) Preference shares	14.87%

b) Maturity profile

		(₹ lakhs)					
Particulars		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Secured loan from Axis bank		739.94	986.59	986.59	986.59	986.59	246.65
0% redeemable and non-convertible preference shares		172.37	-	-	-	-	-



Notes to the Consolidated Financial Statements

Note 11 Borrowings (continued)

vi) Net debt reconciliation

Particulars	(₹ lakhs)		
	Liabilities from financing activities		
	Current borrowings	Non-current borrowings	Total
Net debt as on March 31, 2020	128.02	320.92	448.94
Additional loan taken	-	244.13	244.13
Interest expenses	71.98	-	71.98
Repayments	(200.00)	-	(200.00)
Transfer from non-current to current borrowings	148.55	(148.55)	-
Net debt as on March 31, 2021	148.55	416.50	565.05
Additional loan taken	-	4,688.82	4,688.82
Interest expenses	51.45	-	51.45
Repayments	(200.00)	-	(200.00)
Transfer from non-current to current borrowings	912.31	(912.31)	-
Net debt as on March 31, 2022	912.31	4,193.01	5,105.32

		(₹ lakhs)			
Note 12 Lease liability		As at March 31, 2022		As at March 31, 2021	
		Current	Non-current	Current	Non-current
a)	Lease liability ¹	-	-	-	0.87
		-	-	-	0.87

¹Refer Note 26.10 for disclosures of lease liability.

		(₹ lakhs)			
Note 13 Provisions		As at March 31, 2022		As at March 31, 2021	
		Current	Non-current	Current	Non-current
a)	Provision for compensated absences	1.59	8.88	0.75	5.51
		1.59	8.88	0.75	5.51

The compensated absences cover the liability for earned leaves. Out of the total amount disclosed above, the amount of ₹ 1.59 lakhs (March 31, 2021: ₹ 0.75 lakhs) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 14 Trade payables		(₹ lakhs)	
		As at March 31, 2022	As at March 31, 2021
a)	Total outstanding dues of micro-enterprises and small enterprises	1.69	26.71
b)	Total outstanding dues of creditors other than micro-enterprises and small enterprises		
i)	Related party (refer Note 26.3)	48.03	40.65
ii)	Others	261.19	247.44
		309.22	288.09
		310.91	314.80

Trade payable ageing		(₹ lakhs)						
		As at March 31, 2022						
No.	Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i)	MSME	-	1.69	-	-	-	-	1.69
ii)	Others	106.85	87.51	35.27	74.20	0.69	4.70	309.22

No.		As at March 31, 2021						
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i)	MSME	-	26.71	-	-	-	-	26.71
ii)	Others	83.38	109.86	88.66	0.77	4.84	0.58	288.09

					(₹ lakhs)	
Note 15 Other financial liabilities		As at March 31, 2022		As at March 31, 2021		
		Current	Non-current	Current	Non-current	
a)	Employee benefits payable	32.66	-	17.97	-	
b)	Security deposits	47.92	-	19.51	-	
c)	Creditors for capital goods	560.00	-	339.92	-	
		640.58	-	377.40	-	

Note 16 Other current liabilities		(₹ lakhs)	
		As at March 31, 2022	As at March 31, 2021
a)	Statutory dues	67.10	41.37
b)	Others	-	0.85
		67.10	42.22



Notes to the Consolidated Financial Statements



	(₹ lakhs)	
Note 17 Revenue from operations ¹	2021-22	2020-21
Sale of chemicals	3,987.13	2,718.29
Sale of steam	341.03	314.89
Revenue from contracts with customers	4,328.16	3,033.18
Other operating revenue:		
Scrap sales Other revenue	19.85	8.86
	4,348.01	3,042.04

¹Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 45 days. These contracts are mainly for sale of chemical products and steam besides sale of scrap and other goods. The contracts do not grant for any rights to return to the customers. Return of goods are accepted by the Group only on exceptional basis.

Reconciliation of revenue from contracts with customers recognised at contract price:

	(₹ lakhs)	
Particulars	2021-22	2020-21
Contract price	4,328.47	3,033.34
Adjustments for:		
Consideration payable to customers - discounts ¹	(0.31)	(0.16)
Revenue from contract with customers	4,328.16	3,033.18

¹Consideration payable to customers like discounts and price reductions offered to customers are estimated on specific identified basis and reduced from the contract price when the Group recognises revenue from the transfer of the related goods or services to the customer and the entity pays or promises to pay the consideration.

	(₹ lakhs)	
Note 18 Other income	2021-22	2020-21
Income from investments in mutual funds measured at FVPL	23.99	76.67
Income on revaluation of investments measured at FVPL	-	40.67
Dividend income from investments measured at FVPL	0.53	0.52
Interest from others	5.99	5.20
Gain on disposal of property, plant and equipment	0.04	-
Miscellaneous income	0.93	1.40
	31.48	124.46

	(₹ lakhs)	
Note 19 Cost of materials consumed	2021-22	2020-21
Raw materials consumed		
Stocks at commencement	27.48	18.82
Add: Purchase	2,813.70	968.90
	2,841.18	987.72
Less: Stocks at close	95.97	27.48
	2,745.21	960.24

	(₹ lakhs)	
Note 20 Changes in inventories of finished goods and work-in-progress	2021-22	2020-21
Stocks at close		
Finished goods	41.62	17.75
Work-in-progress	-	-
	41.62	17.75
Less: Stocks at commencement		
Finished goods	17.75	4.22
Work-in-progress	-	8.47
	17.75	12.69
(Increase) Decrease in stocks	(23.87)	(5.06)



Notes to the Consolidated Financial Statements



	(₹ lakhs)	
Note 21 Power, fuel and water	2021-22	2020-21
Power, fuel and water	321.52	258.56
	321.52	258.56

	(₹ lakhs)	
Note 22 Repairs and maintenance	2021-22	2020-21
Consumption of stores and spares	103.51	62.84
Plant and equipment repairs	117.57	118.39
	221.08	181.23

	(₹ lakhs)	
Note 23 Employee benefit expenses	2021-22	2020-21
Salaries, wages and bonus (refer Note 26.5)	200.17	160.95
Contribution to provident and other funds (refer Note 26.5)	11.59	7.52
Staff welfare	7.65	2.67
	219.41	171.14

	(₹ lakhs)	
Note 24 Finance costs	2021-22	2020-21
Interest on redeemable and non-convertible preference shares carried at amortised cost	51.45	71.97
Other finance costs	43.59	1.36
	95.04	73.33

	(₹ lakhs)	
Note 25 Other expenses	2021-22	2020-21
Plant operation charges	52.58	78.56
Freight charges	12.95	11.48
Effluent treatment expenses	29.62	29.86
Security services	27.33	29.45
Business auxiliary services	93.27	88.54
Legal and professional expenses	22.94	17.81
Rent	2.08	1.32
Rates and taxes	101.72	11.52
Remuneration to the Statutory Auditors		
a) Audit fees	7.15	6.35
b) Tax matters	1.38	1.38
Directors' fees	6.70	5.20
Expenditure on Corporate Social Responsibility initiatives	26.25	26.65
Miscellaneous expenses	85.30	42.21
	469.27	350.33



Notes to the Consolidated Financial Statements



Note 26.1 Contingent liabilities

(₹ lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts in respects of:		
i) Sales tax	62.86	66.68
ii) Corporate guarantee for subsidiary company	5,100.00	-

Note 26.2 Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period, but not recognised as liabilities, is as follows:

(₹ lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	1,323.72	2,516.38

Note 26.3 Related party disclosures

Note 26.3 (A) Related party information

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
1	Atul Finserv Ltd	Investing company and subsidiary of holding company
2	Atul Ltd	Holding by virtue of control
3	Aagam Holdings Pvt Ltd	
4	Adhigam Investment Pvt Ltd	Entities over which Key Management Personnel or their close family members have significant influence
5	Aayojan Resources Pvt Ltd	
6	Atul Foundation Trust	
7	Key Management Personnel	
	Sunil Lalbhai	Chairman
	Rajeev Kumar	Managing Director
	Gopi Kannan Thirukonda	Director
	Sujal Shah	Independent Director
	Abhay Jadeja	Independent Director
	Mahalakshmi Subramanian	Independent Director
	Yogesh Vyas	Chief Financial Officer
	Ankit Mankodi	Company Secretary

(₹ lakhs)		
Note 26.3 (B) Transactions with related parties	2021-22	2020-21
a) Sales and income		
1 Sale of goods	3,141.17	2,376.38
Atul Ltd	3,141.17	2,376.38
b) Purchases and expenses		
1 Purchase of goods	19.21	-
Atul Ltd	19.21	-
2 Business auxiliary services	123.87	94.84
Atul Ltd	123.87	94.84
3 EDP software expenses	14.77	17.60
Atul Ltd	14.77	17.60
4 Reimbursement of expenses	1.20	2.98
Atul Ltd	1.20	2.98
5 Lease rent expenses	0.09	0.08
Atul Ltd	0.09	0.08
c) Other transactions		
1 Redemption of 0% redeemable and non-convertible preference shares	200.00	200.00
Atul Ltd	200.00	200.00
2 Reimbursements received	1.08	1.59
Atul Ltd	1.08	1.59

(₹ lakhs)		
Note 26.3 (C) Key Management Personnel compensation	2021-22	2020-21
Remuneration		
1 Short-term employee benefits ¹	18.15	16.65
2 Sitting fees to Independent Directors	11.45	11.45
	6.70	5.20

¹ Compensation excludes provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.



Notes to the Consolidated Financial Statements



Note 26.3 Related party disclosures (continued)

Note 26.3 (D) Transactions with entities over which Key Management Personnel or their close family members have significant influence			(₹ lakhs)
	2021-22	2020-21	
Other transactions			
1 Expenditure on Corporate Social Responsibility initiatives	26.25	26.65	
Atul Foundation Trust	26.25	26.65	

Note 26.3 (E) Outstanding balances			(₹ lakhs)
	As at March 31, 2022	As at March 31, 2021	
1 Preference shares			
Atul Ltd	172.37	320.92	
	172.37	320.92	
2 Receivables			
Atul Ltd	113.13	464.51	
	113.13	464.51	
3 Payables			
Atul Ltd	48.03	40.65	
	48.03	40.65	

Note 26.3 (F) Terms and conditions

1. Sales to and purchases from related parties were made on normal commercial terms and conditions and at prevailing market prices or where market price is not available, at cost plus margin.
2. Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.
3. All outstanding balances are unsecured and are repayable in cash and cash equivalents.

Note 26.4 Current and deferred tax

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021, are:

a) Income tax expense recognised in the Consolidated Statement of Profit and Loss

			(₹ lakhs)
	Particulars	2021-22	2020-21
i)	Current tax		
	Current tax on profit for the year	93.99	277.13
	Adjustments for current tax of prior periods	(1.50)	(42.75)
	Total current tax expense	92.49	234.38
ii)	Deferred tax		
	(Decrease) Increase in deferred tax liabilities	(34.97)	(20.41)
	Decrease (Increase) in deferred tax assets	(6.32)	7.34
	Adjustments for deferred tax of prior periods due to change in statutory tax rate	(0.17)	(19.89)
	Total deferred tax expense (benefit)	(41.46)	(32.96)
	Income tax expense	51.03	201.42

b) The reconciliation between the statutory income tax rate applicable to the Group and the effective income tax rate of the Group is as follows:

			2021-22	2020-21
	Particulars			
a)	Statutory income tax rate		25.17%	25.17%
b)	Differences due to:			
i)	Non-deductible expenses		4.48%	2.28%
ii)	Income taxed at lower rate		(4.08)%	(2.53)%
iii)	Tax adjustment of earlier years		(0.45)%	(3.94)%
iv)	Rate difference		0.00%	(0.06)%
v)	Others		6.38%	(2.28)%
	Effective income tax rate		31.50%	18.64%

c) Income tax assets (net)

			(₹ lakhs)
	Particulars	As at March 31, 2022	As at March 31, 2021
	Opening balance	77.21	55.14
	Taxes paid in advance	(265.89)	256.46
	Current tax provision	(92.49)	(234.38)
	Closing balance	(281.17)	77.21

d) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

						(₹ lakhs)
	As at March 31, 2022	(Charged) Credited to profit or loss OCI equity	As at March 31, 2021	(Charged) Credited to profit or loss OCI equity	As at March 31, 2020	
Deferred tax liabilities (assets)						
Property, plant and equipment	99.60	16.38	83.22	(15.96)	99.18	
Financial liabilities at amortised cost	6.92	(12.97)	19.89	(24.09)	43.98	
Others	(40.08)	(38.56)	(1.52)	(1.52)	-	
Provision for leave encashment	(1.61)	(1.06)	(0.55)	0.60	(1.15)	
Unrealised gain (loss) on mutual funds	-	(5.26)	5.26	6.74	(1.48)	
Net deferred tax liabilities (assets)	64.83	(41.47)	106.30	(34.23)	140.53	



Notes to the Consolidated Financial Statements



Note 26.5 Employee benefit obligations

Funded schemes

a) Defined contribution plans:

Gratuity

The gratuity fund is maintained with the Life Insurance Corporation of India and Bajaj Allianz Life Insurance under Group Gratuity scheme.

(₹ lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2020 liability (asset)	7.75	(17.79)	(10.04)
Current service cost	1.14	-	1.14
Interest expense (income)	0.50	(1.14)	(0.64)
Total (income) expense recognised in Consolidated Statement of Profit and Loss	1.64	(1.14)	0.50
Remeasurement			
(Gain) loss from change in financial assumptions	(0.59)	-	(0.59)
Return on plan assets, excluding amount included in interest expense	0.87	0.29	1.16
Experience (gain)	0.31	-	0.31
Total (income) expense recognised in other comprehensive income	0.59	0.29	0.88
Employer contributions	-	(0.12)	(0.12)
Liability for employee transferred	4.08	-	4.08
Benefits paid	(5.03)	5.03	-
As at March 31, 2021 liability (asset)	9.03	(13.73)	(4.70)
Current service cost	2.20	-	2.20
Interest expense (income)	0.58	(0.89)	(0.31)
Total (income) expense recognised in Consolidated Statement of Profit and Loss	2.78	(0.89)	1.89
Remeasurement			
(Gain) loss from change in financial assumptions	2.07	-	2.07
Return on plan assets, excluding amount included in interest expense	(1.08)	0.02	(1.06)
Experience (gain)	0.44	-	0.44
Total (income) expense recognised in other comprehensive income	1.43	0.02	1.45
Employer contributions	-	(2.09)	(2.09)
Liability for employee transferred	-	-	-
Benefits paid	-	-	-
As at March 31, 2022 liability (asset)	13.24	(16.69)	(3.45)

The net liability disclosed above relates to following funded and unfunded plans:

(₹ lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	13.24	9.03
Fair value of plan assets	(16.69)	(13.73)
(Surplus) of gratuity plan	(3.45)	(4.70)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.41%	6.44%
Attrition rate	15.00%	8.00%
Rate of return on plan assets	6.41%	6.44%
Salary escalation rate	10.70%	7.62%
Mortality rate	Indian assured lives mortality (2012-14) urban	Indian assured lives mortality (2006-08) ultimate

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Discount rate	1.00%	1.00%	(5.62%)	(7.45%)	6.27%	8.50%
Attrition rate	1.00%	1.00%	(2.03%)	(1.38%)	2.19%	1.47%
Salary escalation rate	1.00%	1.00%	5.92%	8.31%	(5.46%)	(7.43%)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the Consolidated Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the previous year.



Notes to the Consolidated Financial Statements



Note 26.5 Employee benefit obligations (continued)

Risk exposure

Through its defined contribution plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

i) Interest rate risk

A fall in the discount rate which is linked to the government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

ii) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan liability.

iii) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined with reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

iv) Concentration risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The weighted average duration of the defined benefit obligation is seven years (2020-21: nine years). The expected maturity analysis of gratuity is as follows:

(₹ lakhs)					
Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Defined benefit obligation (gratuity)					
As at March 31, 2022	1.06	1.30	4.12	14.32	20.80
As at March 31, 2021	0.51	0.51	1.96	13.78	16.77

b) Other long-term benefits

Leave encashment is payable to eligible employees who have earned leaves, during the employment and | on separation as per the policy of the Group. Valuation in respect of leave encashment has been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

(₹ lakhs)		
Expenses recognised for the year ended on March 31, 2022 (included in Note 23)	2021-22	2020-21
Present value of unfunded obligations	10.47	6.26
- Current	1.59	0.75
- Non-current	8.88	5.51
Expense recognised in the Consolidated Statement of Profit and Loss	4.62	0.66
Discount rate	6.41%	6.44%
Salary escalation rate	10.70%	7.62%

c) Defined contribution plans:

Provident fund

State defined contribution plans

Employers' contribution to employees' state insurance

Employers' contribution to employees' pension scheme 1995

The provident fund and the state defined contribution plans are operated by the Regional Provident Fund Commissioner. Under the scheme, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. These funds are recognised by the income tax authorities. The contribution of the Group to the provident fund and other contribution plans for all employees is charged to the Consolidated Statement of Profit and Loss.

The Group has recognised the following amounts in the Consolidated Statement of Profit and Loss for the year (refer Note 23):

(₹ lakhs)		
Particulars	2021-22	2020-21
Contribution to provident fund	4.58	2.70
Contribution to employees pension scheme 1995	5.53	3.81
Contribution to employees' state insurance	1.15	0.77
Contribution to employee depository linked insurance	0.33	0.23
	11.59	7.52

Estimation of social security code:

The Parliament of India has approved the Code on Social Security, 2020 (the Code), which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The Ministry of Labour and Employment, Government of India, has released draft rules for the Code on November 13, 2020. Final rules are yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record related impact, if any.



Notes to the Consolidated Financial Statements



Note 26.6 Fair value measurements

Financial instruments by category

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments:						
Equity instruments	42.77	-	-	42.77	-	-
Mutual funds	-	-	-	1911.74	-	-
Trade receivables	-	-	134.28	-	-	482.10
Security deposits for utilities and premises	-	-	22.66	-	-	37.35
Sales tax paid under protest	-	-	-	-	-	0.50
Other receivables	-	-	24.00	-	-	6.38
Cash and bank balances	-	-	12.56	-	-	54.00
Total financial assets	42.77	-	193.50	1,954.51	-	580.33
Financial liabilities						
Trade payables	-	-	310.91	-	-	314.80
Borrowings	-	-	5,105.32	-	-	565.05
Security deposits	-	-	47.92	-	-	19.51
Lease liability	-	-	-	-	-	0.87
Employee benefits payable	-	-	32.66	-	-	17.97
Creditors for capital goods	-	-	560.00	-	-	339.92
Total financial liabilities	-	-	6,056.81	-	-	1,258.12

a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are: a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Consolidated Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the 3 levels prescribed in the Indian Accounting Standard.

An explanation of each level follows underneath the table:

(₹ lakhs)				
i) Financial assets and liabilities measured at fair value as at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments measured at FVPL:				
Unquoted equity shares ¹	-	-	42.77	42.77
Mutual funds at FVPL	-	-	-	-
Total financial assets	-	-	42.77	42.77
ii) Financial assets and liabilities measured at fair value as at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments measured at FVPL:				
Unquoted equity shares ¹	-	-	42.77	42.77
Mutual funds at FVPL	-	1,911.74	-	1,911.74
Total financial assets	-	1,911.74	42.77	1,954.51

¹Includes investments in Bharuch Enviro Infrastructure Ltd (21,000 equity shares) and Narmada Clean Tech Ltd (4,06,686 equity shares), which are for operation purposes and the Company expects its refund on exit. The Group estimates that the fair value of these investments are not materially different as compared to its cost.

There were no transfers between any levels during the year.

Level 1: This hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments that are traded on the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

b) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments,
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

c) Valuation processes

The Finance department of the Group includes a team that performs the valuations of financial assets and liabilities with assistance from independent external experts when required, for financial reporting purposes, including level 3 fair values.



Notes to the Consolidated Financial Statements



Note 26.6 Fair value measurements (continued)

d) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2022	As at March 31, 2021
	Carrying amount Fair value	Carrying amount Fair value
Financial assets		
Security deposits for utilities and premises	22.66	37.35
Sales tax paid under protest	-	0.50
Total financial assets	22.66	37.85
Financial liabilities		
Borrowings	5,105.32	565.05
Lease liability	-	0.87
Total financial liabilities	5,105.32	565.92

The carrying amounts of trade receivables, bank deposits with less than 12 months maturity, cash and cash equivalents, trade payables, capital creditors, employee benefits payable, payable towards expenses and security deposits payable are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 26.7 Financial risk management

The business activities of the Group are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. Responsibility for the establishment and oversight of the risk management framework lies with the Senior Management of the Group. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the risk management policies of the Group. The key risks and mitigating actions are also placed before the Audit Committee of the Group. The risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the activities of the Group.

The Risk Management Committee of the Group is supported by the Finance team and experts who provide assurance that the financial risk activities of the Group are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the policies and risk objectives of the Group. The objective of the Management is to maintain financial risk and market risk within acceptable parameters, while optimising returns.

This note explains the risks which the Group is exposed to and how the Group manages the risks in the Consolidated Financial Statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis and credit rating	Diversification of investments in mutual fund and credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

a) Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost or fair value through profit and loss and deposits with banks and financial institutions, as well as credit exposures to trade | non-trade customers including outstanding receivables.

i) Credit risk management

Credit risk is managed through the policy surrounding Credit Risk Management.

ii) Provision for expected credit losses

The Group provides for expected credit loss based on the following:

Trade receivables

Trade receivables consist of few customers, majorly of amount receivable from Atul Ltd, the holding company, for which ongoing credit evaluation is performed on the financial condition of the account receivables. Historical experience of collecting receivables of the Group is supported by low level of past default and hence the credit risk is perceived to be low.

b) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who has approved an appropriate liquidity risk management framework for short, medium and long term funding and liquidity management requirements of the Group. The Management monitors rolling forecasts of the liquidity position of the Group and cash and cash equivalents on the basis of expected cash flows and manages liquidity risk by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows including contractual interest payment, as at the Balance Sheet date:

Contractual maturities of financial liabilities as at March 31, 2022			
	Less than 1 year	More than 1 year	Total
Borrowings	1,112.31	4,020.64	5,132.95
Capital creditors	560.00	-	560.00
Trade payables	310.91	-	310.91
Lease liability	-	-	-
Security deposits payable	47.92	-	47.92
Employee benefits payable	32.66	-	32.66



Notes to the Consolidated Financial Statements



Note 26.7 Financial risk management (continued)

Contractual maturities of financial liabilities as at March 31, 2021				(₹ lakhs)
	Less than 1 year	More than 1 year	Total	
Borrowings				
Capital creditors	200.00	444.13		644.13
Trade payables	339.92	-		339.92
Lease liability	314.80	-		314.80
Security deposits payable	-	0.87		0.87
Employee benefits payable	19.51	-		19.51
	17.97	-		17.97

c) Market risk

i) Cash flow and fair value interest rate risk

Maturity analysis of financial liabilities of the Group is based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

Borrowings of the Company from the Atul Ltd (Holding Company) and have a fixed rate borrowings that is 0% and are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Borrowings of the Company are from Axis Bank Ltd and is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 25 bps change in interest rates. A 25 bps increase in interest rates might have led to approximately an additional impact of ₹12.33 lakhs (2020-21: ₹0.61 lakhs). A 25 bps decrease in interest rates might have led to an equal but opposite effect.

ii) Price risk

Exposure

The Group is mainly exposed to the price risk due to its investments in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments in equity instruments, the Group maintains its portfolio in accordance with the framework set by the risk management policies.

Sensitivity			(₹ lakhs)
Particulars	Impact in the Consolidated Statement of Profit and Loss		
	March 31, 2022	March 31, 2021	
Price increase by 10%*	-		191.17
Price decrease by 10%*	-		(191.17)
* ceteris paribus			

Note 26.8 Segment information

The Group operates in a single business segment that is manufacturing of bulk chemicals. Further, its operations are confined within India and the major customers of the Group is Atul Ltd. Accordingly, there are no separate reportable segments as per Ind AS - 108 on 'Operating Segment' and no further disclosures are required.

Note 26.9 Earnings per share

Earnings per share (EPS) - The numerators and denominators used to calculate basic and diluted EPS:

Particulars		2021-22	2020-21
Profit for the year attributable to the equity shareholders	₹ lakhs	110.94	879.75
Weighted average number of equity shares used in calculating basic / diluted EPS	Number	94,25,000	94,25,000
Nominal value of equity share	₹	10	10
Basic and diluted EPS	₹	1.18	9.33

Note 26.10 Leases

As a lessee

The Group has taken land on cancellable lease at Atul from Atul Ltd for 97 years from February 03, 1996 on annual lease rent of ₹ 8,000.

Following are the changes in carrying value of right-of-use assets (land)

Particulars			(₹ lakhs)
	2021-22	2020-21	
Opening			
Additions	0.84		0.85
Depreciation / Amortisation	-		-
Disposals and transfers	(0.01)		(0.01)
Closing	(0.83)		-
	-		0.84

Following are the movements in lease liability

Particulars			(₹ lakhs)
	2021-22	2020-21	
Opening			
Additions	0.87		0.87
Finance cost accrued	-		-
Payment of lease liability	0.08		0.08
Disposals and transfers	(0.08)		(0.08)
Closing	(0.87)		-
	-		0.87

Note 26.11 Relationship with struck off companies

There were no transactions or balances with struck off companies.



Notes to the Consolidated Financial Statements

Note 26.12 Loans

During the year, the Group has not entered into any transaction in nature of loans and advances which falls within the purview of Regulation 34(3) read with para A of Schedule V to the SEBI (listing obligations and disclosure requirements) Regulations, 2015 read with Section 186 (4) of the Companies Act, 2013.

Note 26.13 Interest in other entities

a) Subsidiary company

The Group has incorporated a wholly-owned subsidiary during the financial year 2020-21. Unless otherwise stated, it has share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group.

Name of entity	Principal activities	Place of business Country of incorporation	Ownership interest held by the Group	
			As at March 31, 2022	As at March 31, 2021
			%	%
Amal Speciality Chemicals Ltd	Manufacturing of bulk chemicals	India	100%	100%

Note 26.14 Disclosure of additional information pertaining to the Parent and subsidiary company as per Schedule III of the Companies Act, 2013

No.	Name of the entity in the Group	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ lakhs)	As % of consolidated profit (loss)	Amount (₹ lakhs)	As % of consolidated other comprehensive income	Amount (₹ lakhs)	As % of consolidated total comprehensive income	Amount (₹ lakhs)
	Parent company								
1	Amal Ltd	89%	3677.75	130%	242.78	100%	(1.44)	131%	241.34
	Subsidiary company								
1	Amal Speciality Chemicals Ltd	11%	435.67	(30%)	(56.52)	0%	-	(31%)	(56.52)
	Total	100%	4113.42	100%	186.26	100%	(1.44)	100%	184.82
	Adjustment arising out of consolidation		(578.89)		(75.32)		-		(75.32)
	Grand Total		3534.54		110.94		(1.44)		109.50

Note 26.15 Events after the reporting period

There was no significant event after the end of the reporting period, which require any adjustment or disclosure in the Consolidated Financial Statement.

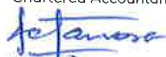
Note 26.16 Rounding off

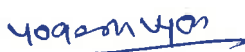
All amounts are rounded off to the nearest thousand unless otherwise stated.

Note 26.17 Authorisation for issue of the Financial Statements

The Consolidated Financial Statements were authorised for issue by the Board of Directors on April 22, 2022.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants


Ketan Vora
Partner


Yogesh Vyas
Chief Financial Officer


Ankit Mankodi
Company Secretary

For and on behalf of the Board of Directors


Sunil Lalbhai
Chairman


Rajeev Kumar
Managing Director



Mumbai
April 22, 2022

Atul
April 22, 2022

Form AOC - I

{Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014}
Statement containing salient features of the Financial Statements of subsidiaries, associates and joint arrangements
Subsidiary company

No.	Name of the company	Reporting period for the concerned subsidiary company, if different from that of holding company reporting period	Reporting currency and exchange rate as on date of the relevant financial year in case of foreign subsidiary companies	Equity share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Dividend	% Shareholding
			Currency	Exchange rate										
1	Amal Speciality Chemicals Ltd	NA	NA	NA	500.00	(64.33)	8,503.50	8,067.83	*	0.07	(56.27)	0.25	(56.52)	100.00%



ACCOUNTING RATIOS

The Following tables present certain Key Accounting Ratios computed on the basis of amounts derived from the Audited for the Financial year ended March 31, 2022 and unaudited financial statement for the six months ended September 30, 2022:

Particulars	Unaudited Six months ended September 30, 2022	Audited Financial for the year ended March 31, 2022
Earnings Per Share (EPS) (Basic and Diluted) (₹)	(8.26) [#]	1.18
Return on Net Worth (%)	(24.77%)	3.15%
Net Asset Value per Share (₹)	29.24	37.50
EBITDA (₹ in Lakhs)	(458.15)	426.87
EBITDA (%)	(17.76%)	9.82%

[#] Not Annualised

Formula:

- Earnings Per Share (₹):** Net Profit/(Loss) after tax for the year attributable to Equity Shareholders divided by weighted average number of equity shares outstanding during the period.
- Return on Net Worth (%):** Net Profit/(Loss) after tax for the year attributable to Equity Shareholders divided by average net Worth at the end of the period multiplied by 100.
- Net Asset Value Per Equity Share (₹):** Net worth as at the year end/ period end divided by total number of equity shares outstanding at the end of the period.
- EBITDA (₹ in Lakhs):** Profit before/(Loss) before tax expenses, plus finance costs plus depreciation and amortisation expense.
- EBITDA (%):** [EBITDA/ (revenue from operations)] * 100

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

You should read the following discussion and analysis of our financial condition and results of operations together with our Consolidated Unaudited Financial Results for the six months period ended September 30, 2022 and Consolidated Audited Financial Statement as of and for the fiscal ended March 31, 2022 included in this Draft Letter of Offer. Our Unaudited Financial Results for the six months period ended September 30, 2022 and Audited Financials Statement for Fiscal 2022 are prepared in accordance with the provisions under the Companies Act, 2013 and Ind AS, including the notes and schedules thereto, included in the section titled "Financial Information" on page 71.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward Looking Statements" on pages 17 and 12 respectively.

Unless otherwise specified in this section or unless the context otherwise requires, the following discussion is based on our Consolidated Unaudited Financial Results for the six months ended September.30, 2022 and Consolidated Audited Financial Statement for the year ended March 31, 2022 and financial information for the year ended March 31, 2021 which is derived from the comparatives of the Consolidated Audited Financial Statement for the year ended March 31, 2022 and in relevant parts, on internally prepared statistical information available to our management and publicly available information.

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the twelve (12) month period ended March 31 of that fiscal year. Unless otherwise specified, all amounts in this section are stated on a consolidated basis. In this section, any references to the "Company", "we", "us" and "our" is refer to Amal Limited on a consolidated basis, as applicable in the relevant fiscal period, unless otherwise stated.

OVERVIEW OF OUR BUSINESS

Our Company is engaged in the business of manufacturing of bulk chemicals such as Sulphuric acid and oleum and downstream products such as Sulphur di-oxide and Sulphur trioxide. Our Company has one manufacturing facility which is situated in the state of Gujarat at Ankleshwar.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2022

The Amal Speciality Chemicals Ltd commissioned its 300 TPD Sulphuric acid plant in July 2022.

To our knowledge and belief, no circumstances other than those disclosed in this Draft letter of offer have arisen since the date of the last financial statements contained in this Draft letter of offer which materially affect or is likely to affect, the trading and profitability of our company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 17. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- General economic and business conditions;
- Increasing competition in the industry;
- Changes in laws and regulations that apply to the industry;
- Our ability to attract and retain clients
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Any adverse outcome in the legal proceedings in which we are involved;

- Inability to obtain maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in safety, health and environmental laws and other applicable regulations may adversely affect our business, financial condition, results of operation and prospects;
- Conflict of interest with our Subsidiary, Individual Promoter and other related parties;
- Changes in fiscal, economic or political conditions in India; and
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

SIGNIFICANT ACCOUNTING POLICIES

For disclosure of our Significant Accounting policies as at and for the year ended March 31, 2022, as required by Ind AS and other applicable standards, see section titled “*Financial Information*” on page 71.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter “Financial Information” on page 71 of this Draft Letter of Offer, there has been no change in the accounting policies during the Fiscal 2022 and six months period ended September 30, 2022.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

There are no reservations or qualifications or adverse remarks in the auditors’ report for Fiscal 2022.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

1. Income

Our total income comprises (i) revenue from operations, and (ii) other income.

- **Revenue from Operations:** Revenue from Operations comprises of (i) Revenue from contracts with customers which is our major revenue, and it is derived from sale of chemicals and sale of steam; (ii) Other operating revenue consist of scrap sale and other revenue.
- **Other income-** Other income primarily comprises of interest income dividend income, gain on disposal of property, plant and equipment and other miscellaneous revenue.

2. Expenses: Our total expenses are comprise (i) Cost of materials consumed, (ii) Changes in inventories of Finished Goods and work-in-progress, (iii) Employee Benefit expenses, (iv) Finance cost, (v) Depreciation and amortisation expenses, (vi) Power fuel and water, (vii) Repairs and maintenance and (viii) Other Expenses:

- **Cost of materials consumed:** The cost included in consumption of raw material.
- **Changes in inventories of Finished Goods and work-in-progress:** Changes in inventories of Finished Goods and work-in-progress comprises of difference in closing balance vis-à-vis opening balance of closing stock.
- **Employee Benefit Expenses:** Employee benefit expense consists of salaries and wages, provident fund, gratuity expense and staff welfare expenses.
- **Depreciation and amortisation expenses:** It consists of depreciation on building, plant & equipment, office equipment, furniture & fixtures and amortisation of lease hold land.
- **Finance Cost:** Finance cost includes interest on redeemable and non- convertible preference shares carried at amortised cost and other financial costs etc.
- **Power fuel and water:** Power fuel and water comprises of costs of power, fuel and water used in the operations.
- **Repairs and maintenance:** Repairs and maintenance includes consumption of store and spare, civil, plant and equipment repairs.

- Other expenses: Other Expenses includes expenses towards plant operating charges, freight charges, effluent treatment expenses, Legal and professional, business auxiliary service, rates and taxes, security services and expenditure on Corporate Social Responsibility initiatives etc.

SUMMARY OF THE RESULTS OF OPERATIONS

The following discussion on the financial operations and performance should be read in conjunction with the Consolidated financial results of the company.

(Amount ₹ in Lakhs)

Particulars	Six months ended on		For the Financial Year			
	Sep-22		Mar-22		Mar-21	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
Revenue from Operations	2,580.26	99.91	4,348.01	99.28	3,042.04	96.07
Other income	2.27	0.09	31.48	0.72	124.46	3.93
Total Income	2,582.53	100.00	4,379.49	100.00	3,166.50	100.00
Cost of Material Consumed	2,124.79	82.28	2,745.21	62.68	960.24	30.32
Changes in inventories of finished goods and stock-in-trade	12.55	0.49	-23.87	-0.55	-5.06	-0.16
Employee benefits expenses	152.25	5.90	219.41	5.01	171.14	5.40
Finance costs	144.94	5.61	95.04	2.17	73.33	2.32
Depreciation and amortisation expenses	242.27	9.38	169.86	3.88	95.56	3.02
Power, fuel and water	306.22	11.86	321.52	7.34	258.56	8.17
Repairs and maintenance	189.37	7.33	221.08	5.05	181.23	5.72
Other expenses	255.5	9.89	469.27	10.72	350.33	11.06
Total Expenses	3,427.89	132.73	4,217.52	96.30	2,085.33	65.86
Profit/ (Loss) before Tax	-845.36	-32.73	161.97	3.70	1,081.17	34.14
Tax expense						
Current Tax	-42.86	-1.66	92.49	2.11	234.38	7.40
Deferred Tax	-24.18	-0.94	-41.46	-0.95	-32.96	-1.04
Total Tax Expense	-67.04	-2.60	51.03	1.17	201.42	6.36
Profit After Tax	-778.32	-30.14	110.94	2.53	879.75	27.78

COMPARISON OF HISTORICAL RESULTS OF OPERATIONS

Fiscal 2022 compared to Fiscal 2021

Total Income

Our Revenue from Operations

Our revenue from operations for the Fiscal 2022 was ₹4,348.01 Lakhs as compared to ₹3,042.04 Lakhs for Fiscal 2021 representing an increase of 42.93%. This increase was primarily due to increase in prices which account for 30.69% and balance 12.24% on account of increased volume.

Other Income

Other income for the Fiscal 2022 was ₹ 31.48 Lakhs as compared to ₹ 124.46 Lakhs for the Fiscal 2021, representing a decrease of 74.79%. The decrease in other income was primarily due reduction in Mutual fund income ₹ 53 Lakhs and revaluation of Equity investment held in Narmada cleantech ₹ 40 Lakhs.

Expenditure

Our total expenditure for the Fiscal 2022 was ₹ 4,217.52 Lakhs as compared to ₹ 2,085.33 Lakhs for the Fiscal 2021, representing an increase of 102.25%. Total expenditure comprises of:

Cost of Material Consumed

The cost of material consumed for Fiscal 2022 was ₹ 2,745.21 Lakhs as compared to ₹ 960.24 Lakhs for Fiscal 2021 representing an increase of 185.89%. This increase was due to steep increase in input prices.

Changes in inventories of finished goods and work-in-progress

The changes inventories of finished goods for the Fiscal 2022 were ₹ (23.87) Lakhs as compared to ₹ (5.06) Lakhs for the Fiscal 2021. The change is due to increase in cost as well as volume.

Employee benefit Expenses

Employee benefit expenses for the Fiscal 2022 was ₹ 219.41 Lakhs as compared to ₹ 171.14 Lakhs for the Fiscal 2021, representing an increase of 28.21%. This increase was due to increase in the salaries and wages of the employees and increase in the manpower.

Finance Cost

Finance cost for the Fiscal 2022 was ₹ 95.04 Lakhs as compared to ₹ 73.33 Lakhs for the Fiscal 2021 representing an increase of 29.61%. The increase in finance cost is due to the due to additional provision of interest on income tax.

Depreciation & amortisation Expenses

Depreciation and amortisation expense for the Fiscal 2022 was ₹ 169.86 Lakhs as compared to ₹ 95.56 Lakhs for the Fiscal 2021, representing an increase of 77.51%. The increase was due to major capitalisation of ₹ 687 Lakhs during Fiscal 2021 for debottlenecking of the capacity of existing plant / replacement of few major equipment.

Power, fuel and water

Power, fuel and water expenses for the Fiscal 2022 was ₹ 321.52 Lakhs as compared to ₹ 258.56 Lakhs for the Fiscal 2021 representing an increase of 24.35%. The increase in power, fuel and water expenses is due increase in rates and increase in production capacity.

Repairs and maintenance

Repairs and maintenance for the Fiscal 2022 was ₹ 221.08 Lakhs as compared to ₹ 181.23 Lakhs for the Fiscal 2021 representing an increase of 21.99%. The increase in repair and maintenance is mainly due increase in shutdown cost by ₹ 25 Lakhs.

Other Expenses

Other expenses for the Fiscal 2022 were ₹ 469.27 Lakhs as compared to ₹ 350.33 Lakhs for the Fiscal 2021, representing an increase of 33.95%. This increase was mainly due to payment of ₹ 91 Lakhs towards onetime GIDC registration fee.

Profit/ (Loss) before tax

Profit before tax for Fiscal 2022 was ₹ 161.97 Lakhs as compared to ₹ 1,081.17 Lakhs for the Fiscal 2021.

Tax expenses

Total tax expense for the Fiscal 2022 was ₹ 51.03 Lakhs as compared to ₹ 201.42 Lakhs for Fiscal 2021.

Profit for the year

For the reason discussed above, the Profit after tax during the Fiscal year 2022 was ₹ 110.94 Lakhs as compared to ₹ 879.75 Lakhs for the Fiscal 2021, The decrease was due to reasons mentioned as above.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. **Unusual or infrequent events or transactions:** There have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.
2. **Known trends or uncertainties:** To our knowledge, there are no other known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.
3. **Future relationship between costs and revenues:** There are no known factors affecting the future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.
4. **Significant economic/regulatory changes that materially affected or are likely to affect income from continuous operations:** Volatility in the raw material prices and finished goods prices have no direct correlation in input and sales prices.
5. **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales price:** Our total revenue increased by 42.93% ₹ 1305.97 Lakhs of which 12.24% due to volume and 30.69% due to selling price.
6. **Total turnover of each major industry segment in which the issuer operated:** We are operating in a single segment of bulk chemicals and the turnover achieved is in the said segment only.
7. **Status of any publicly announced new products or business segment:** NA
8. **Seasonality of Business:** NA
9. **Dependence on a single or few customers:** Major sales is being done to Atul Ltd / Lupin Ltd.
10. **Competitive Conditions:** Our product mix and manufacturing location gives us competitive advantage.

SECTION VIII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries, (ii) material violations of statutory regulations by our Company and/or our Subsidiaries, (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries, (iv) other civil litigation (excluding tax related matters) against our Company and/or our Subsidiaries, (v) outstanding claims related to direct and indirect taxes against our Company and/or our Subsidiaries, in a consolidated manner; which involve an amount equivalent to or exceeding 5.00 % of the profit after tax of our Company, on a consolidated basis, for Fiscal 2022, 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**”) which is ₹ 5.55 Lakhs (the “**Materiality Threshold**”); and (vi) any pending matters, where amount is not quantifiable or is below the Materiality Threshold, which, if result in an adverse outcome would materially and adversely affect our operations or our financial position.

Notices received by our Company and/or our Subsidiaries from third parties (excluding notices pertaining to any offence involving moral turpitude, notices threatening criminal liability or notices relating to economic offences) shall not be evaluated for materiality until such time that our Company and/or our Subsidiaries are impleaded as defendants in litigation proceedings before any judicial forum.

In addition to the cases set out below, our Company and/or our Subsidiaries, from time to time, have been and continue to be involved in legal proceedings, mostly arising in the ordinary course of their respective businesses. All terms defined herein in a particular litigation disclosure pertain to that litigation only.

Litigation involving our Company

Proceedings involving issues of moral turpitude or criminal liability on the part of our Company:

Nil

Proceedings involving material violations of the statutory regulations by our Company:

Nil

Material litigation involving our Company:

Our Company has filed criminal complaints (CC Nos. 4592/2022 and 4690/2022) before the Additional Chief Judicial Magistrate, Valsad, Gujarat (“Magistrate”) on July 05, 2022 against former employees of our company namely, Ashwini Pathak and Kamal Dudhwala (as Accused) under Section 138 and 142 of the Negotiable Instruments Act, 1881 for the dishonour of cheques by them for an aggregate amount of ₹ 22.50 Lakhs. During the pendency of the said matters, the aforesaid Accused persons have filed Misc. Regular Criminal Applications (R/CRMA Nos. 18149/2022 and 17985/2022) before the Hon’ble Gujarat High Court with the prayer to seek quashing of the aforesaid proceedings pending before the Hon’ble Magistrate. The said matters are currently pending.

Tax claims

Except as disclosed below, there are no claims related to direct and indirect taxes, involving our Company and Subsidiaries:

Nature of Proceedings	Number of cases	Amount involved (in INR Lakhs)
Company		
Direct tax	-	-
Indirect tax	2	62.86
Subsidiaries		

Direct tax	-	-
Indirect tax	-	-

Other pending matters against our Company which, if they result in an adverse outcome would materially and adversely affect the operations or financial position of our Company:

Nil

Litigation involving our Subsidiaries

Proceedings involving issues of moral turpitude or criminal liability on the part of our Company:

Nil

Proceedings involving material violations of the statutory regulations by our Company:

Nil

Material litigation involving our Company:

Nil

Other pending matters against our Company which, if they result in an adverse outcome would materially and adversely affect the operations or financial position of our Company:

Nil

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company or the Promoters and nor our Directors are or have been classified as a wilful defaulter by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.

MATERIAL DEVELOPMENTS SINCE THE DATE OF THE LAST AUDITED ACCOUNTS

To our knowledge no circumstances have arisen since the date of the latest audited balance sheet i.e. March 31, 2022, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities, except as mentioned below:

In July 2022, our Wholly Owned Subsidiary Amal Speciality Chemicals Limited has commissioned its 300 TPD (“tonnes per day”) Sulphuric Acid plant with zero liquid discharge facility.

GOVERNMENT AND OTHER APPROVALS

In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Our Company has obtained the necessary consents, licenses, registrations, permissions and approvals from the Government of India and various governmental agencies and other statutory and/ or regulatory authorities required to undertake this Issue and carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “Objects of the Issue” at page 44 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares to the Eligible Equity Shareholders is being made in accordance with:

- a. the resolution passed by our Board of Directors under Section 62 and other provisions of the Companies Act 2013, at its meeting held on December 14, 2022;
- b. In-principle approval from BSE dated [●].

The Board of Directors or Rights Issue Committee thereof in their meeting held on [●] have determined the Issue Price as ₹ [●] per Rights Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] Equity Share(s) as held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager to the Issue.

Prohibition by SEBI or RBI or other governmental authorities

Our Company, the Promoters, the members of the Promoter Group, the Directors, persons in control of our Company and persons in control of the Promoter as well as its directors have not been 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 or any other regulatory or governmental authority.

The companies with which our Promoters, our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Company, our Promoters nor our Directors are or have been classified as a wilful defaulter or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by RBI.

Neither our Promoters nor our Directors are declared as Fugitive Economic Offenders.

None of our Directors are associated with the securities market in any manner.

None of our Directors hold or have held directorships in the last five (5) years in a listed company whose shares have been suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of our Directors hold or have held directorships in the last ten (10) years in a listed company whose shares have been delisted from any recognised stock exchange in India during the term of their directorship in such company.

Compliance with Regulation 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 undertakes to make an application to BSE for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

Eligibility for the Issue

Our Company is eligible to make this Rights Issue in terms of Chapter III of 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 with the BSE in compliance with the Listing Agreement and/ or the provisions of the Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange.

2. The reports, statements and information referred to in sub-clause (a) above are available on the website of BSE.
3. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of powers by our Board of Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified 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

This Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding ₹ 5,000 Lakhs.

DISCLAIMER CLAUSES FROM OUR COMPANY AND THE LEAD MANAGER

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at her/ his own risk.

Our Company and the Lead Manager shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with SEBI.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in the Draft Letter of Offer. You must not rely on any unauthorised information or representations.

This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in the Draft Letter of Offer is current only as of its date.

Investors who invest in the Issue will be deemed to have represented to us and Lead Manager 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, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue.

DISCLAIMER WITH RESPECT TO JURISDICTION

The Draft Letter of Offer has been prepared under the provisions of Indian laws 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, India only.

DISCLAIMER CLAUSE OF BSE

The Designated Stock Exchange for the purpose of the Issue will be BSE. As required, a copy of the Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of the Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchange.

Filing

This Draft Letter of Offer has been filed with the BSE. On receipt of the in-principle approval from the Stock Exchange, the final Letter of Offer will be filed with Stock Exchange and will be submitted to SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations.

SELLING RESTRICTIONS

The distribution of the Draft Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer may come are required to inform them about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to our Eligible Equity Shareholders and will dispatch the Letter of Offer/ Abridged Letter of Offer and Application Form to the Eligible Equity Shareholders who have provided an Indian address.

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 the Draft Letter of Offer is filed with SEBI for observations. Accordingly, the rights or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

Receipt of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form should not, in connection with the issue of the rights or Rights Equity Shares, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the rights referred to in the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form.

Neither the delivery of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME. For more detail, please refer "Notice to Investor" on page 1 of this Draft Letter of Offer.

IMPORTANT INFORMATION FOR INVESTORS – ELIGIBILITY AND TRANSFER RESTRICTIONS

As described more fully below, there are certain restrictions regarding the rights and Equity Shares that affect potential investors. These restrictions are restrictions on the ownership of Rights Equity Shares by such persons following the offer.

The rights and the Rights Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The rights and the Rights Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of rights or Rights Equity Shares

within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Eligible Investors

The rights or Rights Equity Shares are being offered and sold only to persons who are outside the United States and are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offer and sales occur. All persons who acquire the rights or Equity Shares are deemed to have made the representations set forth immediately below.

Rights Equity Shares and Rights Offered and Sold in this Issue

Each purchaser acquiring the rights or Rights Equity Shares, by acceptance of the Letter of Offer, Abridged Letter of Offer or Application Form will be deemed to have acknowledged, represented to and agreed with us and the Lead Manager that it has received a copy of the Letter of Offer, Abridged Letter of Offer or Application Form and such other information as it deems necessary to make an informed investment decision and that:

- (a) the purchaser is authorised to consummate the purchase of the rights or Rights Equity Shares in compliance with all applicable laws and regulations;
- (b) the purchaser acknowledges that the rights and Rights Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and, accordingly, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (c) the purchaser is purchasing the rights or Rights Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
- (d) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the rights or Rights Equity Shares, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the offer for such rights or Rights Equity Shares was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such rights or Rights Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such rights or Rights Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;
- (e) the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
- (f) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such rights or Rights Equity Shares, or any economic interest therein, such rights or Rights Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act; and (ii) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until we determine, in its sole discretion, to remove them, and confirms that the proposed transfer of the rights or Rights Equity Shares is not part of a plan or scheme to evade the registration requirements of the Securities Act;
- (g) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the rights or the Rights Equity Shares;
- (h) the purchaser understands that such rights or Rights Equity Shares (to the extent they are in certificated form), unless we determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY

STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (i) the purchaser agrees, upon a proposed transfer of the rights or the Rights Equity Shares, to notify any purchaser of such rights or Rights Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the rights or Rights Equity Shares being sold;
- (j) we will not recognise any offer, sale, pledge or other transfer of such rights or Rights Equity Shares made other than in compliance with the above-stated restrictions; and
- (k) the purchaser acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such rights or Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such rights 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.
- (l) each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a **“Relevant Member State”**) who receives any communication in respect of, or who acquires any rights or Rights Equity Shares under, the offers contemplated in the Letter of Offer, Abridged Letter of Offer and CAFs will be deemed to have represented, warranted and agreed to and with Lead Manager and our Company that in the case of any rights or Rights Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive;
- (m) the rights or Rights Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Lead Manager has been given to the offer or resale; or
- (n) where rights or Rights Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those rights or Rights Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any of the rights or Rights Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the rights or Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the rights or Rights Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Listing

The existing Equity Shares are listed on BSE. We have made an application to BSE for obtaining in-principle approval in respect of the Rights Equity Shares. We will apply to BSE for listing and trading of the Rights Equity Shares.

If the permission to deal in and an official quotation of the securities is not granted by the Stock Exchange on the expiry of 15 days from the Issue Closing Date, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer.

We will issue and dispatch Allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the Allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date.

If such money is not repaid beyond eight days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue

Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable law.

Consents

Consents in writing of the Directors, the Lead Manager, the Legal Advisor, the Registrar to the Issue and the Bankers¹ to the Issue to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Expert

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

Our Company has received written consent from its Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants through their letter dated January 25, 2023 to include their name as required under Section 26(1) of the Companies Act, 2013 in this Draft Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in their capacity as the Statutory Auditors and in respect of their: (i) audit report dated April 22, 2022 relating to the Consolidated Audited Financial Statements as at and for the year ended March 31, 2022 and (ii) limited review report dated October 14, 2022 related to the Consolidated Unaudited Financial Results as at and for the six months ended on September 30, 2022. Such consent has not been withdrawn as at the date of this Draft Letter of Offer. However, the term “expert” and “consent” shall not be construed to mean an “expert” or “consent” as defined under the U.S. Securities Act.

Our Company has received written consent dated January 20, 2023 from Prajapati & Associates, Chartered Accountants, to include their name in this Draft Letter of Offer, as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Statement of Possible Special Tax Benefits dated January 20, 2023 available to our Company, its wholly owned subsidiary and the Shareholders, issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as at the date of this Draft Letter of Offer.

Issue Related Expenses

The Issue related expenses consist of fees payable to the Lead Manager, Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately ₹ [●] Lakhs towards these expenses, a break-up of the same is as follows:

Activity	Amount* ^ (₹ In Lakhs)	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)#
Fees of the Lead Manager, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor’s fees, including out of pocket expenses etc.	[●]	[●]	[●]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
Total estimated issue expenses**^	[●]	100.00	[●]

*Amount will be finalized at the time of filing of the Letter of Offer and determination of Issue Price and other details.

** Subject to finalization of the Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards

¹ Consent will be obtained before filing of Letter of Offer

general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Equity Shares.

^Excluding taxes

#Assuming full subscription

Investor Grievances and Redressal System

We have adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Regulations. Additionally, 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. Consequently, investor grievances are tracked online by us.

The share transfer and dematerialisation for us is being handled by Link Intime India Private Limited, Registrar and Share Transfer Agent, which is also the Registrar to the Issue. Letters are filed category wise after being attended to. All investor grievances received by us have been handled by the Registrar and Share Transfer agent in consultation with the Compliance Officer.

Our Stakeholders’ Relationship Committee comprises of Mr. Abhay Jadeja and Mr. Gopi Kannan Thirukonda.

Status of Outstanding Investor Complaints

As on the date of this Draft Letter of Offer, there were no outstanding Investor complaints.

Investor Grievances arising out of the Issue

The investor grievances arising out of the Issue will be handled by Link Intime India Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling post-Issue correspondences only.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA Applicants giving full details such as folio no./ demat account no., name and address, contact telephone/ mobile numbers, email id of the first applicant, number of Rights Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank/ SCSB and the branch where the Application Form was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be within 30 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. We undertake to resolve the Investor grievances in a time bound manner.

Registrar to the Issue



Link Intime India Private Limited

C 101, 1st floor, 247 Park, L.B.S. Marg,

Vikhroli (West), Mumbai – 400083,

Maharashtra, India

Tel: +91 810 811 4949

Fax: +91 22 4918 6060

E-mail: amal.rights@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI Registration No.: INR000004058

Investors may contact the Compliance Officer in case of any pre-Issue/ post -Issue related problems such as non-receipt of Allotment advice/ share certificates/ demat credit/ refund orders etc. The contact details of the Compliance Officer are as follows:

Company Secretary & Compliance Officer

Mr. Ankit Mankodi

309, Veer Savarkar Marg, Opposite India United Mills,
Near. Prabhadevi Telephone Exchange,
Dadar (West), Mumbai – 400 028, Maharashtra
Tel: +91 22 62559700
E-mail: ankit_mankodi@amal.co.in

Status of outstanding investor complaints

As on the date of the DLOF, there were nil outstanding investor complaints.

Changes in Statutory Auditors during the last three years

There has been no change in the statutory auditors in the last 3 years.

Minimum Subscription

The objects of the Issue involve financing other than the financing of capital expenditure for a project. Further, our Promoters and Promoter Group have undertaken that they will subscribe fully to the extent of their rights entitlement and that they shall not renounce their. Accordingly, minimum subscription criteria is not applicable to the Issue.

SECTION IX – OFFERING 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 Draft Letter of Offer, 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 are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer and 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 Draft Letter of Offer and Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer or Letter of Offer.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. As per the said circular, in case the physical shareholders who have not been able to open a demat account or are unable to communicate their demat details, in terms of clause 1.3.4 of the SEBI – Rights Issue Circular, to the Company or Registrar to the Issue, for credit of REs within specified time. Investors are requested to note that application in this Issue can only be made through ASBA.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, 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 Listing Regulations 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.

• **DISPATCH AND AVAILABILITY OF ISSUE MATERIALS**

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation 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. In case such Eligible Equity Shareholders have registered their 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 registered e-mail address and in case such Eligible Equity Shareholders have not registered 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. This Letter of Offer will be provided to those who make a request in this regard.

Further, this Draft Letter of Offer and 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 registered their e-mail address, the Draft Letter of Offer and Letter of Offer will be sent only to their registered e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Draft Letter of Offer and Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- our Company at www.amal.co.in;
- the Registrar at www.linkintime.co.in;
- the Lead Manager at www.keynoteindia.net;
- the Stock Exchange at www.bseindia.com

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.amal.co.in).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation, our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Entitlement Letters are delayed or misplaced in transit.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Draft Letter of Offer, the 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 Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of 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 Draft Letter of Offer and Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorised to acquire the Rights Entitlements and the 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 Manager or its respective affiliates to make any filing or registration (other than in India).

- **PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

- **In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use 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 Renouncees, 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*” beginning on page 148 of this Draft Letter of Offer.

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 or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. 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 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 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. The Eligible Equity Shareholders who have not received the Application Form can download the Form available at the websites of the Registrar, Stock Exchanges, Lead Manager or the Company and submit the filled Form at Designated Branch of the SCSB.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

- the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

Applicants should note that they should very 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 pages 144. Our Company, the Lead Manager, 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” beginning on page 138.

- **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- apply for its Equity Shares to the full extent of its Rights Entitlements; or
 - apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
 - apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
 - apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
 - 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 an SCSB, 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 authorising 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.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://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 Manager, our Company, its directors, its 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.

Do's for Investors applying through ASBA:

- Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be Allotted in the dematerialised form only.
- 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.
- Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional 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.
- 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.
- Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- 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.
- 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.

Don'ts for Investors applying through ASBA:

- Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- Do not send your physical Application to the Lead Managers, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), 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.
- Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- Do not submit Application Form using third party ASBA account.
- ***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 case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or 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 Exchange or the Lead Manager. 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 or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilise 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/ their bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Amal Limited;
- 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);
- Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- 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;
- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerialised form;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for within the Rights Entitlements;
- Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹ [●] per Equity Share;
- Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- 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;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- 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);

- 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 Registrars and
- All such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act (“Regulation S”) to existing shareholders who are non-U.S. Persons and located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions and (ii) within the United States or to U.S. Persons that are “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) (“U.S. QIB”) pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, that are also “qualified purchasers” (as defined under the United States Investment Company Act of 1940, as amended) (“QPs”) in reliance upon section 3(c)(7) of the U.S. Investment Company Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and a non-U.S. Person and eligible to subscribe for the Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/ we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled “Notice to Overseas Investors” beginning on page 8.

I/ We understand and agree that the Rights Entitlements and Equity Shares may not be reoffered, resold, pledged or otherwise except in an offshore transaction in accordance with Regulation S to a person outside the United States and not reasonably known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the BSE).

I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, 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 Manager 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 Manager 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***

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of 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 Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two 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 whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

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:

- The Eligible Equity Shareholders shall send a request letter to the Registrar regarding updating of demat account detail containing the name(s), address, e-mail address, contact details, DPID- CLID along with copy of self-attested PAN and self-attested client master sheet of their demat account, copy of any one share certificate either by e-mail at amal.rights@linkintime.co.in whose subject line should be "AMAL LIMITED RIGHTS ISSUE DEMAT ACCOUNT UPDATION OF FOLIO NO.-(mention folio no.)" or by post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- 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;
- The remaining procedure for Application shall be same as set out in "*- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" beginning on page 138.

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 dematerialised Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Investors are eligible to apply for additional 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 Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional 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 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 “- *Basis of Allotment*” beginning on page 158.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Investors in relation to making of an Application

- Please read this Draft Letter of Offer and the Letter of Offer carefully to understand the Application process and applicable settlement process.
- 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 Draft Letter of Offer, the 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.
- In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 138.
- 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.
- Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.
- 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 Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- 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 e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or DemographicDetails received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent 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 Manager 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) DPID, and (c) Client ID, then such Application Forms are liable to be rejected.**

- 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.
- 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.
- Investors should provide correct DP ID and Client ID 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 Manager, SCSBs or the Registrar will not be liable for any such rejections.
- 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.
- All communication in connection with Application for the 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, 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.
- Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

- Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- Do not pay the Application Money in cash, by money order, pay order or postal order.
- Do not submit multiple Applications.
- No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the 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.
- An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

- ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

- DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- Account holder not signing the Application or declaration mentioned therein.
- Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- 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).
- 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.
- Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

- Applications submitted to anyone other than the Designated Branches of the SCSB
- Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- 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.
- Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted form or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the 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 (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the 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 Equity Shares in respect of any such Application Form.
- Applications which have evidence of being executed or made in contravention of applicable securities laws.
- Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

- ***Multiple Applications***

In case where multiple Applications are made using same demat account, 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. Further supplementary Applications in relation to further 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 147.

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 shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in under “*Intention and extent of participation by our Promoter*” on page 42.

- ***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 and our Company and the investor will also be required to comply with applicable reporting requirements.

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 manager who is from the Financial Action Task Force member country, the investment manager 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 (iii) 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:

- such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- 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.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

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 any investment which would result in the investor

holding 10% or more of the fully diluted paid-up equity share capital of the 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 Manager 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 recently amended to state that all investments by entities incorporated in a country which shares land border with India or where 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.

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 [●], i.e., Issue Closing Date. Our Board or any 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 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 the 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 “- Basis of

Allotment” beginning on page 158.

Please note that on the Issue Closing Date, (i) 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, whether 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 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 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 15 days 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.

- **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 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). The link for the same shall also be available on the website of our Company (*i.e.*, www.amal.co.in).

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 dematerialised form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. 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 escrow account to the Stock Exchange 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 get lapsed 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 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 Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under 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 not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow 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 by sending a request letter with signature of all shareholders along with self attested copy of pan card, copy of aadhar card/ driving licence/ voter id/ passport, copy of any one share certificate and copy of client master to the Registrar at amal.rights@linkintime.co.in. 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 Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, [●] Demat Escrow 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, if any; 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 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; or (f) Non-institutional equity shareholders in the United States.

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 not later than two Working Days prior to the Issue Closing Date, i.e., by [●] 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 account 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). 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 (i.e., 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.

- **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 Shareholder 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 Manager 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.

- *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 Exchange 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 Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange 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 Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (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 [●] 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 under automatic order matching mechanism and on 'T+2 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 Exchange and the SEBI.

- *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 Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the 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 [●], 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.

Rights Entitlements Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialised form or appears in the register of members of our Company as an equity shareholder in respect of our Equity Shares held in physical form, as on the Record Date, are entitled to subscribe to the number of Rights Equity Shares as set out in the Entitlement Letter. The Registrar will email an Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date. 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 (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 (i.e., www.amal.co.in). Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. 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 not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such 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). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements are credited in their demat accounts.). Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/dispatch the Abridged Letter of Offer, the Entitlement Letter, the Application Form and other issue material (“Issue Materials”) only to such Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, 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 Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Further this Letter of Offer will be provided, only through email by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and in each case who make a request in this regard. In case the 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 the 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. For more details, please see the chapter titled “*Notice to Overseas Investors*” on page 8.

- **MODE OF PAYMENT**

All payments against the Application Forms shall be made only through (i) ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorising 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 Draft 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 finalisation 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 stockinvest scheme has been withdrawn. Hence, payment through stockinvest 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:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in 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.
- Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- 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.
- Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of 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.
- 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.
- Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.
- **BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE**

The 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 ratio, see “*The Issue*” beginning on page 33.

- ***Terms of Payment***

On Application: ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) shall be payable. And the balance ₹ [●] per Rights Equity Share which constitutes [●] % of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion, from time to time.

- ***Fractional Entitlements***

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Equity Shares for every [●] Equity Shares held as on the Record Date). As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Equity Share if they apply for additional Equity Shares over and above their Rights Entitlements, if any, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] ([●]) Equity Shares, such Equity Shareholder will be entitled to [●] ([●]) Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, 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 [●] ([●]) Equity Shares shall have ‘zero’ entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for Additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

- ***Ranking***

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the 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 Listing 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 Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.

- ***Listing and trading of the Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange.

Unless otherwise permitted by the SEBI ICDR Regulations, the 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 Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company shall apply for in-principle approval from the BSE. Our Company will further apply to BSE for final approval for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 506597) under the ISIN: INE841D01013. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from BSE. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the existing ISIN (i.e. INE841D01013) for the Equity Shares and thereafter be available for trading.

The listing and trading of the 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 Exchange, our Company shall refund through verifiable means/ unblock the respective ASBA Accounts, the entire monies received/ blocked within seven days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within eight 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 eighth 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 the Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see “*Intention and extent of participation by our Promoter*” on page 42.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- The right to receive dividend, if declared;
- The right to receive surplus on liquidation;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to free transferability of Equity Shares;
- 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 the Letter of Offer; and
- 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.

- **GENERAL TERMS OF THE ISSUE**

- ***Market Lot***

The Equity Shares of our Company shall be tradable only in dematerialised 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.

- ***Notices***

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation 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. 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 Draft Letter of Offer and the 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 Draft Letter of Offer and 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 this Draft Letter of Offer and the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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 which includes regional language newspaper. This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange 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 Equity Shares to non-resident Equity Shareholders including additional 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 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 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 at amal.rights@linkintime.co.in with subject line "AMAL LIMITED RIGHTS ISSUE RBI APPROVAL DPID-CLID (mention DPID- CLID)". 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 Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The 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 Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered 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 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 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.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognised 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 this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by sending an email to amal.rights@linkintime.co.in.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE 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 159.

- **ISSUE SCHEDULE**

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

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 Renouncees on or prior to the Issue Closing Date.

* Our Board or a duly authorised 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.

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 not later than two Working Days prior to the Issue Closing Date, i.e., by [●], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

- **BASIS OF ALLOTMENT**

Subject to the provisions contained in this Draft Letter of Offer, the 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 Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of 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 Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional 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 Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such 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 Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis 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 (e) 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 Equity Shares in this Issue, along with:

- 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;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

• **ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will send/ dispatch Allotment advice, refund intimations (including in respect of Applications made through optoinal facility) or demat credit of securities and/ or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/ or letters of regret 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 Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a 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 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialised form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

The Rights Entitlements will be credited in the dematerialised form using electronic credit under the depository system and the Allotment Advice shall be sent, through email, to the email 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 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 Equity Shares in the Issue and is Allotted a lesser number of 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.

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form

as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

- (a) the Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
- (b) within 6 (six) months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;
- (c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- (d) In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, *etc.* to such Eligible Equity Shareholders to remit such proceeds.
Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchanges after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the Application Money paid by such Eligible Equity Shareholders;
- (e) Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updation of details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;
- (f) After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges; and
- (g) If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.
- (h) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.
4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights

Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).

5. **The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc. in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.**

- **PAYMENT OF REFUND**

- ***Mode of making refunds***

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

- (a) Unblocking amounts blocked using ASBA facility.
- (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) **Direct Credit** – Investors having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹ 2,00,000/-, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques,

pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

- ***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.

- **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 Equity Shares in Dematerialised Form***

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED 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 WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Investors shall be Allotted the Equity Shares in dematerialised (electronic) form. Our Company has signed an agreement dated July 10, 2001 with NSDL and an agreement dated June 23, 2001 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialised form is as under:

- 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.

- 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.
- 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.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Equity Shares and the Application Form will be rejected.
- The Equity Shares will be allotted to Applicants only in dematerialised form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account. Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.
- Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

• **IMPERSONATION**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or 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 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 ₹ 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.5 crore or with both.

• **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 utilised 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; and

- (C) Details of all unutilised 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 unutilised monies have been invested.

- **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- All steps for completion of the necessary formalities for listing and commencement of trading at BSE where the Equity Shares are to be listed will be taken by our Board within 12 working days from the Issue Closing date.
- 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.
- 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.
- 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.
- Adequate arrangements shall be made to collect all ASBA Applications.
- Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

- **INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS**

- Please read this Draft Letter of Offer and the 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 Draft Letter of Offer and the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
- All enquiries in connection with this Draft Letter of Offer and the 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 super scribed “**Amal Limited – Rights Issue**” on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

Link Intime India Private Limited
C 101, 1st floor, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083,
Maharashtra, India
Tel: +91 810 811 4949
E-mail: amal.rights@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sumeet Deshpande
SEBI Registration No.: INR000004058

- In accordance with SEBI Rights Issue Circulars, 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.
- The Investors can visit following links for the below-mentioned purposes:
 - 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

This Issue will remain open for a minimum 7 days. However, our Board 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 Circular 2020**”), 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 Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India 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 FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes 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 transfer of shares between an Indian resident and a non-resident does not require the prior approval of 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 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.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the 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.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognised 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 this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 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 Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents referred to in para (B) below may be inspected at the registered office of our Company between 11.00 a.m. to 5.00 p.m. on any working day from the date of the Letter of Offer until the closure of the subscription list.

A. MATERIAL CONTRACTS

1. Issue Agreement dated January 27, 2023 between our Company and Keynote Financial Services Limited, Lead Manager to the Issue;
2. Registrar Agreement dated January 24, 2023 between our Company and Link Intime India Private Limited, Registrar to the Issue;
3. Banker to the Issue Agreement dated [●] between our Company, [●] Bank Limited, Keynote Financial Services Limited and Link Intime India Private Limited.

B. DOCUMENTS FOR INSPECTION

1. Certified True Copy of Memorandum & Articles of Association of our Company;
2. Certificate of incorporation dated July 4, 1974 issued to our Company upon incorporation;
3. Certified True Copy of Certificate of commencement of business of our Company dated April 16, 1975;
4. Resolution of the Board of Directors under section 62 of Companies Act, 2013 passed in its meeting dated December 14, 2022 authorising the Issue;
5. Resolution of our Rights issue committee dated January 27, 2023 approving this Draft Letter of Offer;
6. Consents of the Directors, Company Secretary and Compliance Officer, Lead Manager to the Issue, Statutory Auditors, Legal Advisor to the Issue, and Registrar to the Issue and Banker to the Issue to include their names in this Draft Letter of Offer to act in their respective capacities;
7. Annual report of our Company for the financial year ended March 31, 2022 and the limited review report of the Consolidated Unaudited Financial Results for the six months ended September 30, 2022;
8. A statement of possible special tax benefits dated January 20, 2023 received from Prajapati & Associates, Chartered Accountants, regarding possible special tax benefits available to our Company and shareholders;
9. Tripartite Agreement dated July 10, 2001 between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
10. Tripartite Agreement dated June 23, 2001 between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;
11. In-principle listing approval dated [●] from BSE under Regulation 28(1) of the SEBI Listing Regulation.

Any of the contracts or documents mentioned in this Draft 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 Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Offer Document is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be.

We further certify that all disclosures made in this Offer Document are true and correct.

Name	Signature
Sunil Lalbhai Chairman DIN: 00045590	Sd/-
Rajeev Kumar Managing Director DIN: 07731459	Sd/-
Gopi Kannan Rengachari Thirukonda Non-Executive Director DIN: 00048645	Sd/-
Sujal Shah Non-Executive Independent Director DIN: 00058019	Sd/-
Abhay Jadeja Non-Executive Independent Director DIN: 03319142	Sd/-
Mahalakshmi Subramanian Non-Executive Independent Director DIN: 06940781	Sd/-
Jyotin Mehta Non-Executive Independent Director DIN: 00033518	Sd/-
Yogesh Vyas <i>Chief Financial Officer</i> PAN: ADGPV6678N	Sd/-
Ankit Mankodi <i>Company Secretary & Compliance Officer</i> PAN: AOGPM7295B	Sd/-

Place: Mumbai, Maharashtra

Date: January 27, 2023